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# CHINA AND FOREIGN POWERS

AN HISTORICAL REVIEW  
OF THEIR RELATIONS

By SIR FREDERICK WHYTE  
K.C.S.I.

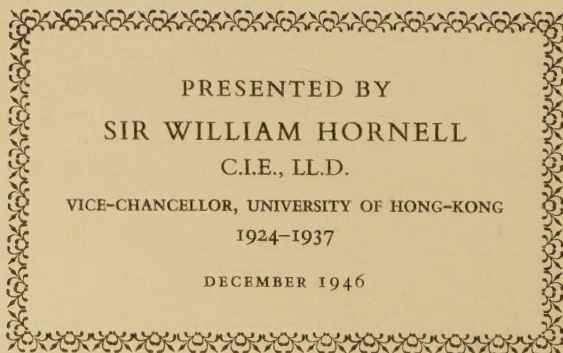
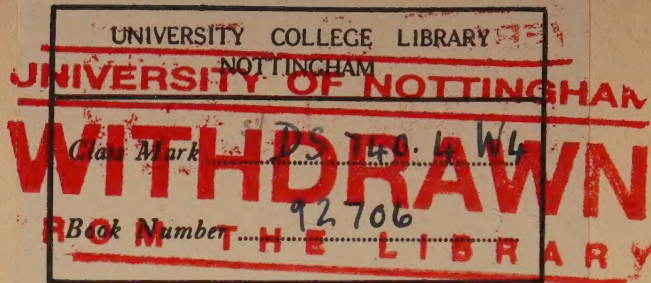
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## PREFACE

IN July 1925 the Institute of Pacific Relations gathered at a Conference at Honolulu persons from various countries bordering on the Pacific Ocean to discuss the social and political questions of that region. Parties came from the United States, Japan, China, Korea, the Philippines, Hawaii, Canada, Australia, and New Zealand. Before adjourning, it was decided to hold a second Conference at Honolulu in July 1927, at which it was thought desirable to secure the presence of some persons from Great Britain who would be qualified to take part in the discussions. The Royal Institute of International Affairs was accordingly invited to arrange for the presence of such persons.

In answering this invitation the Institute drew attention to Clause 5 of its Charter, which provides that 'The Institute, as such, shall not express an opinion on any aspect of International Affairs'. In view of this clause it was pointed out that no one could be sent from Great Britain to represent the Institute, which exists to facilitate research on the part of its members and cannot under its Charter formulate views as a corporate body. On this clear understanding the Institute agreed to take the initiative in gathering together a party of persons qualified to take part in the Conference on their own individual authority, and to place at their disposal its resources and facilities for research.

The party thus constituted at once applied itself to the study of the subjects on the Agenda for the Conference. Sir Frederick Whyte, a member of the party, undertook to prepare a memorandum on the history of British relations with China, the final draft of which was the result of a series of discussions with other members.

The Council of the Institute feel that this brief history of British relations with China may be useful to others who are trying to follow the course of events in the Far East. They have therefore made arrangements with the Oxford University Press

for its publication, together with the text of the British Memorandum of December 18th, 1926, and other relevant documents.

The statements contained in the memorandum have been checked as carefully as possible in the time available, but Sir Frederick Whyte and his colleagues will be grateful for the prompt correction of any inaccuracies which a wider circle of readers may detect. Such corrections would be most valuable if sent to the Institute by June 16th, on which date the party is leaving Great Britain for Honolulu. Effect will, if possible, be given to them in a future edition.

F. B. BOURDILLON

*Secretary, Royal Institute of International Affairs,  
Chatham House, 10 St. James's Square, London, S.W. 1.*



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## CHINA AND FOREIGN POWERS

THE history of China's relations with foreign Powers falls conveniently—if not in strict chronology—into four periods—

- I. The Period of Chinese Seclusion and Foreign Exclusion from Early Times to 1793.
- II. The Period of European Admission—from 1793 to 1861 (1873).
- III. The Period of European Aggression—from 1873 to the Great War.
- IV. The Period of Chinese Revolt: Liquidation and Equilibrium—from 1900 onwards.

These periods overlap; and the choice of dates at which to open and close them is arbitrary. The reasons for adopting each individual date are given in the relative sections of the memorandum which follows.

### I. THE PERIOD OF CHINESE SECLUSION AND FOREIGN EXCLUSION

The ocean, the continental desert, and the mountain barriers *Early Times* to the south and west separate China physically from the rest of the world; and her geographical seclusion finds political expression in her attitude to foreign States. No foreign Power until comparatively recent times was accepted as the equal of China. Contact with the outside world was not, indeed, unknown: diplomatic courtesies were exchanged between the Celestial Court and the Arabs and the Persians in early times: trade brought the Roman Empire and China into touch with one another—‘the caravans carrying silk’, says Gibbon, ‘traversed the whole latitude of Asia in two hundred and forty-three days from the Chinese Ocean to the sea-coast of Syria’; and Buddhism brought Indian influence to bear upon the Chinese.

Substantially, however, China remained in seclusion. Even the opening of the sea road to the East which brought the seamen and traders of the West to Canton with new demands in the sixteenth century wrought no immediate or early change. It was not till three centuries had passed that

the Chinese door was opened to the foreigner and even then the 'ocean-men' had to force it.

*The West  
arrives : 1517*

The Portuguese arrived in China in 1517, and had made Macao their recognized trading settlement by 1550. The Dutch and the English followed a century later, both by sea. Meanwhile Chinese relations with Russia were growing in importance, the Russians receiving better consideration at Peking than the representatives of any other Power. The Treaty of Nerchinsk (1689) laid down the Sino-Russian frontiers in Manchuria and Siberia and gave increased reciprocal facilities of trade.

*Equal status  
withheld*

Trade was, indeed, the sole motive of European interest in China, and from that motive Great Britain, at all events, has never willingly departed. During the eighteenth century the commerce of Canton and Macao grew continuously in spite of unfavourable conditions. The East India Company established itself at Canton and found in the profits of tea, silk, and other articles a sufficient inducement to undergo the exactions, restrictions, and indignities inseparable from the Chinese trade. Before the century closed, however, the interests at stake had grown too great to be left with no better guarantee of security than the goodwill of the remote Peking Government and the corruptibility of provincial officials. Already in 1770 a Select Committee of John Company's men exercised, in fact, some of the functions of an unrecognized extraterritoriality over the 'factory' at Canton : in 1787 it was endowed with statutory authority—*more indico*—over H.M. subjects trading in China ; but China still regarded the Company as the merchant adventurers of a vassal State and refused to recognize it or its rights. Hence the unavailing missions of Lord Macartney in 1793 and Lord Amherst in 1816. The time was not ripe for commercial treaties, and Lord Amherst has left us a record of the vicissitudes of his brief Chinese career when he refused to prostrate himself before the Emperor.

*Macartney  
and Amherst  
Missions*

*The  
Emperor's  
Mandate to  
George III*

The Emperor Chien Lung, in his mandate to George III of England as a result of the Macartney Mission,<sup>1</sup> voiced the prevailing notion that China was the only civilized Power in the world. But it is important to remember that, if his mandate to George III seems to us to be merely the expression of dynastic arrogance, it had another justification. At that time the traders of the West had nothing to offer to China in exchange for

<sup>1</sup> See Appendix I, p. 39.



Chinese products. There was no demand for Western goods, and the trade would have remained one-sided but for the growing demand in China for opium. In a word China was self-sufficient. Only *after* Western traders had gained a real foothold, i. e. hardly before 1800, did the Chinese demand for our manufactures begin to grow.

## II. THE PERIOD OF EUROPEAN ADMISSION

The beginning of this period is placed at the Macartney Mission and the end at the establishment of the Chinese Foreign Office (1860-1). It is true that from 1842 till 1861 the process of European penetration often assumed an aggressive appearance: but it was not till after 1861, not indeed till near the end of the century, that the Western Powers really became a menace to Chinese integrity.

In 1834 the monopoly of the East India Company was abolished, and the ensuing competition between British merchants called for a controlling authority in Canton which was created in the person of Lord Napier. Napier adopted a firm attitude in his demand for recognition and equal status, but died before he had accomplished his purpose. The British Government, still hoping to prevail by conciliation, did not appoint a successor; but events were now moving to a crisis, and within five years the first China war broke out.

*E. I. Co.  
Monopoly  
abolished :  
1834. Lord  
Napier in  
Canton*

The first China war is commonly miscalled 'The Opium War': but it would be as true to call the Great War 'The Serajevo War' as to adopt the former misnomer for the war of 1839. In both cases the springs of conflict lay deeper. The Chinese war was fought for equality of status in China, and, if such status had been previously accorded, it is improbable that the opium controversy would have issued in war. Lord Palmerston's long despatch of 1840 addressed to 'the Minister of the Emperor of China' presents the British case.<sup>1</sup>

*First China  
War*

We may note, in parenthesis, the salient features of the opium controversy. The drug was known in China long before the Portuguese went to Canton, and it had become a fairly common product in Yunnan Province in the eighteenth century. The first recorded edict against opium-smoking was issued by the Emperor Yung Cheng in 1729. Imports increased throughout the eighteenth century, and in 1800 importation was prohibited.

*A parenthesis  
on opium*

<sup>1</sup> See Appendix II, p. 40.

These edicts remained a dead letter. Nearly all the foreign traders, mostly British and American, imported opium and the provincial authorities from the Viceroy downwards connived at it for profit. In the ten years preceding 1839, 17,000 chests per annum was the average of the import trade. In 1839 the Peking Government sent Lin Tse-sü to enforce the prohibition, and Captain Elliot (British Trade Superintendent at Canton) handed over, under duress, 20,000 chests for destruction. An embargo on trade by Elliot, and a corresponding boycott by Lin, produced incidents and riots in Kowloon and elsewhere: these were followed by Lin's proclamation of August 31st, 1839, inciting the Chinese to attack the English, and the proclamation in its turn led to an affray in which H.M.S. *Volage* and *Hyacinth* fired the opening shots of the war.

*Treaty of Nanking : 1842* The Treaty of Nanking (1842) which brought the war to an end has a special importance in several ways—

- (1) it signified equality of status, and the beginning of formal treaty relations between China and the Western Powers;
- (2) it was the first proof offered to China that the West could enforce its demands;
- (3) for good or evil it laid the foundations of European policy in China, which were afterwards amplified and defined in the Treaty of Tientsin (1858), the latter treaty being, in fact, the appropriate climax of the process which began with Lin Tse-sü (1839) and ended with the creation of the Tsungli-Yamen (subsequently renamed Waiwu Pu and now known as Wai Chiao Pu) in 1861.

*Its significance*

The actual terms of the treaty were—

- (a) the cession of Hongkong;
- (b) the 'opening' of Amoy, Foochow, Ningpo, and Shanghai, as well as Canton, this meaning that practically the whole coast of South China was opened;
- (c) an indemnity;
- (d) a pledge of equal status in official intercourse;
- (e) the enactment of a 'fair and regular tariff';
- (f) the abolition of the Co-Hong monopolies.

*Other treaties with Western Powers*

England having led the way, and taken the blows, France, America, Norway and Sweden followed and reaped their harvest in the treaties of Whampoa (1844), Wanghia (1844), and Canton (1847) respectively; while Belgium received some of the benefits of our treaty by Imperial rescript in 1845.



These treaties mark 'the legalized beginning of the system of extraterritorial rights in China'.

Before passing to the 'Arrow War' we may pause to observe that the racial and political disturbance of this period did not prevent the Emperor Tao Kuang from reviving the old religious toleration in an edict of 1844 which authorized the preaching of the Gospel suppressed in 1724 by Yung Cheng. *Religious toleration*

Equal status in official intercourse in Peking, and formal treaty rights, offered no guarantee of fair dealing in the ports, where the lawless character of many European traders during the eighteenth century had increased and justified, if it had not actually created, the hatred of the foreigner. In 1847 Sir John Davis exacted redress from the Cantonese by *force majeure*; and in 1856 the 'Arrow War' broke out, partly, again, on account of opium and partly because the Treaty of Nanking had done little to remove the real grievances of Europeans in China. *The 'Arrow War': 1856*

This war and its *sequelae* cover five years, for though treaties were signed (but not ratified) in 1858, they did not become effective till the Convention of Peking (1860), and the creation of the Superintending Office (the Chinese Foreign Office or Tsungli-Yamen) in 1861. These treaties, known as the Tientsin Treaties, may be said to close the period of European Admission in virtue of— *The Tientsin Treaties*

- (1) the right of the Foreign Diplomatic Missions to reside in Peking;
- (2) the explicit recognition of extraterritoriality;
- (3) the right of travel under passport;
- (4) the protection of missionaries by treaty;
- (5) the guarantee of freedom of contract;
- (6) a most-favoured-nation clause;
- (7) the opening of eleven new ports, making 16 in all;
- (8) the cession of Kowloon to Great Britain;
- (9) an indemnity to Great Britain and France of 8,000,000 *taels* apiece.

In 1874 Mr. Margary, a British Consular Officer, was murdered on the borders of Burma and Yunnan. The Chinese Government threw the blame on certain hillmen who were tried and condemned to death: but the British Minister at Peking (Sir Thomas Wade) took the view that the Yunnan outrage was the outcome of the obstructive and anti-foreign attitude of the Court and Government generally; and in the *The Chefoo Agreement: 1876*

discussions which ensued he was more concerned for measures to improve foreign intercourse and trade relations than for actual reparation for the murder of Mr. Margary. The negotiations with the Tsungli-Yamen were protracted; relations were more than once strained to breaking-point; and a flying squadron of British warships appeared off the coast. At last, in August 1876, Li Hung-chang was sent to Chefoo with full powers to treat, and with him Wade concluded a general settlement of outstanding questions.

This important agreement, dated September 13th, 1876, closed the Yunnan case by an indemnity, a Mission of Apology to the British Court, and by the general publication throughout the Empire of an Imperial Proclamation setting out the treaty rights of foreigners to travel under passport and the obligations of the local authorities to protect them. It also provided for a code of etiquette for the treatment of foreign officials in China, and laid down the judicial principle in mixed cases that they should be 'tried by the official of the defendant's nationality, the official of the plaintiff's nationality merely attending to watch the proceedings in the interests of justice'. Four more ports were opened to trade, two on the Yangtse and one each in Chekiang and Kwangtung; a British Officer was stationed at Chungking; and six calling-stations were established on the Yangtse.

The agreement also attempted to remedy the grievances of the British mercantile community, especially by debarring the Chinese from levying *likin* in foreign settlements, and thereby implying that they were at liberty to levy it unrestrictedly elsewhere. By an Additional Article to the Chefoo Agreement, signed in London (July 18th, 1885), these matters were reserved for future consideration between the two countries; and another arrangement, more advantageous to China, was elaborated for the treatment of foreign opium in the Treaty Ports. Both the Agreement and the Additional Article were ratified on May 6th, 1886.

Before this period closes two factors of supreme importance emerge—

*Russia and  
Japan*

1. Russia discloses her political and territorial purpose in the Far East, by securing successive concessions from China in the Treaties of Nerchinsk (1689), Kiachta (1727), Kiachta (two trade Conventions, 1768, 1792), Kuldja (trade, 1851), and finally in the treaty of Aigun (1858)

which brought her to the Pacific at Nikolaievsk and three years later to Vladivostok.

2. Japan emerges from medieval seclusion, where her people lived for centuries 'like frogs in a well', at the summons of Commodore Perry who extracted recognition of the foreigner in 1854. The Revolution—or Civil War—of 1868 was the second or decisive step in the making of modern Japan.

The period of admission closes more aptly in 1873 perhaps than in 1861, for in the former year the Emperor Tung Chi attained his majority; and, in response to urgent demands from the Powers, the Foreign Ministers were received at Court in a ceremonial manner appropriate to their function and to the occasion.

*Diplomatic  
Audience :  
1873*

### III. THE PERIOD OF EUROPEAN AGGRESSION : 1873 TO THE GREAT WAR

In the early part of this period no decisive event occurs; unless, indeed, those of 1868 for Japan, or 1871 for Imperial Germany be taken as decisive events which have a direct bearing on the character of the period in the Far East. China loses her suzerainty over Annam to France (1874), Kashgar is lost and recovered in the 'seventies, Japan challenges Chinese predominance in Korea, invades Formosa but retires again, Russia strengthens her hold on the North Pacific Coast, Great Britain annexes Burma and brings Chinese suzerainty to an end.

The critical moment of this period comes after these events had taken place, and it must be observed that none of them (with the exception of Formosa) took place on Chinese territory. That moment is 1894, when China and Japan went to war over Korea; it is decisive, because it revealed the power of Japan, because it awakened Japanese ambition on an Imperial scale, because it set in motion the process which brought China to the brink of partition by the development of 'spheres of influence' (or interest), leased territories, concessions, &c.

*Decisive  
moment in  
Third Period*

By the Treaty of Shimonoseki (1895) China ceded the Liaotung Peninsula (Port Arthur and Talienwan), Formosa and the Pescadores, acknowledged the independence of Korea and paid an indemnity. A separate treaty gave Japan extra-territorial privileges in China and most-favoured-nation treatment.

*Treaty of  
Shimonoseki:  
1895*



The cession of Liaotung proved fatal; and as it is the factor in the treaty which reverberates through Weihaiwei and Tsingtao right down to the Washington Conference, it deserves a word to itself.

*Russia and  
China*

When Li Hung-chang signed away this peninsula, he knew—what some suspected—that Port Arthur was, on the whole, Russia's first choice among the ice-free ports within her reach. And after his recent experience in Korea he preferred the distant menace of Russia to the nearer danger of Japan. He therefore sought and obtained Russian support, in the form of a demand from St. Petersburg that Japan should relinquish the Liaotung Peninsula because her retention of it would 'destroy the political balance in the Far East'. The demand, explicitly repudiated by Great Britain, was backed by France, as ally of Russia, and by Germany, presumably because Wilhelm II was anxious to prevent the consolidation of Franco-Russian interests in the Far East. Japan renounced her acquisition.

The negotiations between Russia and China in 1895 did not stop at the renunciation of Liaotung; they embraced more positive objects, including the Treaty of 1896 which was almost a military alliance and gave Russia the right, in case of war, to utilize Port Arthur and other Chinese ports. At the same moment France acquired large railway, mining, and commercial privileges in the three southern provinces of Yunnan, Kwangsi, and Kwangtung. The Dual Alliance was in a strong position to profit by any disturbance of the *status quo* in China.

In 1898 Germany provoked a disturbance by demanding and securing the lease for ninety-nine years of Kiaochao, as indemnity for the murder of two German missionaries. As there could be no question of invoking 'the balance of power in the Far East' to make Germany disgorge, the other Powers individually invoked it to demand compensation 'for disturbance'. Russia sought and obtained a twenty-five-year lease of Port Arthur which Great Britain denounced as a 'standing menace to Peking'. Great Britain in turn secured the 'Kowloon Extension' and the lease of Weihaiwei, and France that of Kwangchowwan.

Not only did the 'open door' seem closed for ever, as the result of these operations: but the doctrine of 'spheres of influence' (or interest) looked like a mask for Partition. President McKinley then inquired of the Powers whether they adhered to the principle of the 'open door'. Great Britain assented to the

principle without reserve, the other Powers with qualifications, while Russia was evasive and hostile. The purpose of the United States was to secure public declarations, and with the achievement of that purpose, no further action was taken; but the Powers had warning that a more or less disinterested party had taken note of their proceedings.

*McKinley  
and the  
'open door' :  
1899*

#### IV. THE PERIOD OF CHINESE REVOLT: FROM 1900 ONWARDS

These events produced domestic reactions. Reform movements sprang up; a policy of rapid progress on modern lines gained favour, even at Court; Imperial decrees introduced Western learning, revolutionized *curricula*; and ancient custom of all kinds was set aside. But the shrewder Chinese, among them Yuan Shih-kai, saw that rescripts of reform were not reform itself and that the movement offered no security against the chief peril in which China stood, namely, foreign aggression. The reform movement was short-lived and in its place arose a new xenophobia which found in the 'Patriotic Harmonious Fists' (Ihochüan), a secret society of obscure but not primarily political origin, the instrument of its aggressive purpose.

*The Boxer  
Rebellion :  
1900*

The Boxer challenge to the Powers might have led to the partition of China; but in October Great Britain and Germany concluded an agreement 'not to make use of the present complications to obtain for themselves any territorial advantages in Chinese dominions', to uphold the 'open door' at the Treaty Ports, and to consult together on the steps to be taken if any other Power should try 'to obtain in any form whatever such territorial advantages'.

*Anglo-  
German  
Agreement :  
1900*

There is no doubt that this agreement prevented excessive demands being made, and offered China a genuine guarantee of protection.

The terms on which normal relations were resumed were—

- (1) Special reparation for the murders of the German Minister and the Japanese Chancellor of Legation;
- (2) A general indemnity of £67,500,000;
- (3) A foreign garrison in North China, on the Peking-Tientsin Railway, &c.;
- (4) A fortified Legation Quarter in Peking, with its own guards;
- (5) The revision of commercial treaties;
- (6) Reform of the Chinese Foreign Office (the Tsungli-Yamen).

*Final  
Protocol :  
September  
7th, 1901*

In the negotiations that preceded the presentation of these demands Russia was the chief obstructor: (a) on account of the Anglo-German Agreement, (b) because she believed she could secure more by independent negotiation.

*Russian Aggression : the Treaty of Portsmouth : 1905* Her effective military hold over Manchuria (where the Boxer Rising had given a fair excuse for military operations on a large scale) amounted almost to conquest, and encouraged her to believe that this parade of power by land and sea would prevent Japan from the risky enterprise of resisting Russian intrigue at Peking or Russian predominance (if not sovereignty outright) throughout Manchuria. But Japan was in no mood to be overawed. What was ambition to Russia was life and death to Japan. Hence the bold front with which Japan approached the Manchurian War of 1904. In actual diplomacy Japan took a moderate and accommodating course: but Russia, strong in her Far Eastern position and blind to her own domestic weakness, refused all composition and eventually signed a virtual abdication in the Treaty of Portsmouth.

Meanwhile, at the first whisper of Russo-Chinese intrigue (1895), and more especially as Russian behaviour during the Boxer Rising and over the Final Protocol of 1901 was more than suspicious, Great Britain and Japan drew together and eventually made the Anglo-Japanese Alliance of 1902, renewed in 1905, 1911, and only superseded in 1923 by the Four Power Treaty, signed at the Washington Conference.

*Anglo-Japanese Alliance : 1902* The Anglo-Japanese Alliance has often been denounced as a mischievous factor in the development of the Far East, and Great Britain has incurred much odium both in China and America on account of it. That it has worked mischief in certain ways is not to be denied: but it has claims to a favourable judgement which are equally undeniable.

*as an asset* It was evident to the British Government when the Final Protocol was signed (1901) that the conflict of Russian and Japanese interests was approaching a crisis. If that crisis were to mean war, as was probable, it also seemed probable that the war might spread from the Far Eastern theatre to Europe. There might be no certainty of such an issue; but it was a possibility fraught with such portentous consequences that the British Government was bound to take a serious view of it. Two courses were open to the British Government: *either*, to persuade the Powers (excluding Russia and Japan) to sign a self-denying ordinance of the same kind as the Anglo-German Agree-



ment of 1900<sup>1</sup> by which the coming conflict might be confined to Manchuria and its results tempered for the benefit of China, if also in the interests of the 'balance of power' in the Far East; or, to give public notice to *any* Power (other than Russia and Japan) which attempted, by participating in the war, to widen the area of conflict and so provoke a general war, that such Power would find itself at war with Great Britain. The European situation of Great Britain practically precluded resort to the first course; and to make the second course effective a definite understanding with Japan was necessary. The British Government adopted the second course, in the form of the Anglo-Japanese Alliance. In signing it, Lord Lansdowne, while conceiving it as a warning to Russia, was primarily concerned with the preservation of the general peace, and for that concern he, as British Foreign Secretary, could plead that he did the best he could to protect the world as a whole from a real danger.

In judging the merits of British policy in 1902, it is essential that this historic situation should be seen in its true perspective; for then the Anglo-Japanese Alliance appears as an asset of no mean value. Moreover, despite its unpopularity in America and in China, *and in the absence of any other stabilizing factor*, it served a useful purpose in the then existing balance in the Far East, and sixteen years later played an effective part in the victory of the Allies in the Great War.

The counts against it, none the less, are heavy. The Treaty of Portsmouth recognized Japan's 'predominant, political, military, and economic interests in Korea': it pushed Russia out of South Manchuria, and transferred the lease of Kwantung to Japan. In September 1905 Japan stood where Russia had been in February 1904; and with Russian rights she acquired Russia's spirit. Japan, in her ascendancy in North-east China (which she completed by the annexation of Korea in 1910), became the menace of the Far East. The rapidity with which this position was won was due to two things, the weakness of China and the Anglo-Japanese Alliance. That the position might have been worse without the Alliance is probably true; but in reckoning the whole account as favourable to British policy during these twenty years, it would be fatal to ignore the blemishes which deface it.

The Alliance in 1902 guaranteed Korean independence—but by its renewal in 1905 Great Britain acknowledged Japanese rights in Korea, especially 'the right to take such measures of

<sup>1</sup> See above, p. 9.

*Japan  
annexes  
Korea : 1910*

guidance, control, and protection in Korea as she may deem proper to safeguard and *advance* her interests, while Japan recognized the same right in respect of British India. Five years later Japan annexed Korea (1910).

*The  
Expansion  
of Japan*

We may pause, at this critical moment in the history of Japanese expansion, to place the policy of Japan in a true perspective. Japan, like China, was aroused from a long slumber by the intrusion of the West. What opium did for China, the guns of an American warship did for Japan. But the awakening produced a very different effect in Japan: for if on both sides of the Sea of Japan resentment of the intrusion was equally strong, the Japanese determined to seek out the secret sources whence the intruder drew his strength, while the Chinese remained contemptuously wrapped in a disdainful indifference. Japan from 1854 onwards, and with an avowed and organized purpose from 1868, laboured to create a modern State in her islands, and in the course of her labours found that growth in stature, population, and wealth was no unmixed blessing, for it brought new economic problems of a most pressing nature in its train.

*Its Economic  
Origin*

Out of these problems grew an Imperial policy which, in cold fact, possessed a justification as manifest as, perhaps more manifest than, the justification of the Imperial expansion of Great Britain across the seas, or of Russia across Asia, or of the original Atlantic States of America in their Imperial conquest of the Mississippi Valley and the Pacific Coast. Urgent economic need, joining with the prevailing belief that colonial possessions were the hall-mark of a Great Power, drove Japan forward till she became, unquestionably, the supreme menace to peace in the Far East.

To-day Japan is not immune from the influence which has changed the foreign policies of all the Powers alike, and there is evidence of an intention to set a new course which, if it offers a prize less dazzling than those she has at times sought to win, will lead to more substantial and satisfying gains. In a word, the new orientation of the Washington Conference finds a growing body of powerful opinion in Japan ready to follow it.

With this parenthesis, we return to the main line of our narrative.

For the purpose of this record the Tibet Expedition of 1904 and the Anglo-Russian Agreement concerning Tibet (1907), like other matters of minor concern, can only be mentioned in passing. In view, however, of present controversies, the Anglo-

Chinese Commercial Treaty of 1902 negotiated by Lord Inchcape (then Sir James Mackay) has a special interest. In substance we agreed to a maximum  $12\frac{1}{2}$  per cent. import duty (i. e. a surtax of 150 per cent.) and a maximum  $7\frac{1}{2}$  per cent. export duty, in return for the abolition of *likin*. This never came into force, because China took no steps to abolish *likin*, and because the Treaty Powers (Japan and the United States excepted) withheld their required assent, under the most-favoured-nation clauses of their respective treaties.

*The Anglo-Chinese Commercial Treaty of 1902*

The Mackay Treaty is also important because Great Britain then undertook to relinquish the privileges of extraterritoriality if and when China put her house in order. This British undertaking, now of twenty-five years' standing, wears a new importance in the light of recent events. There is no doubt that Great Britain would have implemented the promise of the Mackay Treaty if China, on her part, had provided the opportunity. Equally, there is no doubt that this British promise of 1902 played a stimulating part in leading China to begin the reform of her laws. The report of the Extraterritoriality Commission of 1925-6 shows the progress now made.

It is important to observe here the contrast between Japan and China in relation to extraterritoriality. Japan had also her 'unequal treaties'; but she got rid of them by proving that foreign life and property could dispense with exceptional safeguards. Great Britain was the first Power to admit the justice of her claim to equal treatment and in 1894 agreed to revise the 'unequal treaties'.

In 1911-12 the Revolution overthrew the Manchus and established the Republic. Its significance for Chinese foreign relations lies in the awakening of those forces of nationalism which now refuse to accept supinely the consequences in foreign affairs of China's domestic weakness. The impetus which brought the Republic into being springs from the same source as the growing power of the Kuomintang to wrest equality of status from the Powers. The Republic is therefore an important factor in the new situation in the Far East.

*The Chinese Republic : 1911-12*

We may note that all through the changes of the Revolution and the attendant disorders foreigners and foreign interests suffered comparatively little injury. Both Revolutionaries and Imperialists avoided provoking the intervention of any of the Powers in the treaty ports. The policy of Great Britain from the outset was the traditional one of letting the people work out

*Attitude of the Powers to the Republic :*



(a) *in 1911-1912* their own salvation. It was well known that in the opinion of the British Government, as things were, a limited monarchy under the Manchus was probably the most advantageous government for China; but England did not wish to force that opinion on the Chinese, and she felt that any attempt to do so might prejudice the monarchy. She desired a stable administration and was prepared to accept any form of government freely chosen by the Chinese people, provided that it was stable. Whatever the tendencies of sections of American and European opinion, the Governments generally took much the same line as Great Britain, and held aloof. Japan alone let it be clearly understood, as soon as the Manchu dynasty was in danger, that she favoured the retention of Manchu rule under the new Constitution of November 1911, and she lost no opportunity of pressing that view upon Yuan Shih-kai and the Chinese Government, her reasons being that a purely democratic republic was unsuitable for China, and that Japan disliked the introduction so near her doors of a form of government so different from her own. This attitude called forth a warning from the Republicans that the responsibility for the continuance of the internal struggle would rest with Japan; and any design there may have been formed of imposing a monarchy on the Chinese from without was quickly abandoned. Russia, too, was markedly sceptical and unfriendly to the Republican movement.

(b) *in 1913* In the language of diplomacy, the attitude of the Powers, for the most part, was not incorrect, and the recognition of Yuan Shih-kai probably seemed to the foreign offices of Europe a liberal gesture. But when the recognition was followed by the Reorganization Loan and by Yuan's undertaking to respect the so-called 'unequal treaties', the Southern Party interpreted European action as backing Yuan 'the reactionary', against Sun Yat-sen 'the reformer'. The point, which is often made by Chinese Nationalists, is important because it has since become one of the chief counts in the Chinese indictment of the Treaty Powers.

*1915: the  
Twenty-one  
Demands*

The next date that stands out is 1915. The outbreak of war in 1914 did not immediately affect China; for though the fall of Tsingtao heralded trouble to come, it was not for some months afterwards that Japan openly exploited the pre-occupation of the Powers in Europe to increase her political and economic hold on China. The Twenty-one Demands were

presented early in 1915, enforced by an ultimatum on May 7th, and embodied, after some modification, in a treaty on May 25th. Demands 1 to 4 gave Japan all German rights in Shantung, with an added railway concession: 5 to 11 completed her control of South Manchuria: 12 and 13 gave her large coal and iron concessions: 14 forbade cessions of territory, coast or island, to any other Power: 15 to 21 (constituting Group V), which demanded the appointment of Japanese advisers, the purchase of Japanese munitions, the privilege of 'religious propaganda', preference in railways, mines, &c., in Fukien, &c., were postponed and ultimately relinquished at Washington in 1922.

The first four demands stood in a category by themselves, for they dealt with German rights in China which could only be disposed of, under the Pact of London, by the collective will of the Allied Powers. As far as China was concerned, the Treaty of May 25th, 1915, recognized Japan as the heir of Germany in Shantung; but the Allies held the view that the final decision on all such questions should await the end of the War. Within two years the German submarine campaign compelled them to act otherwise. By the spring of 1917 the Allied Naval Patrols were taxed to the uttermost in the task of protecting merchant shipping from submarine attack, and in their extremity the Allied Powers in Europe turned to Japan for the necessary reinforcement of their destroyer flotillas, especially in the Mediterranean. The Japanese Government supplied the ships on condition that the Allies should endorse the Japanese claim to German rights in Shantung. This consent was given under the duress of the moment; whereupon Japan squared herself with America by the Lansing-Ishii Agreement of November 2nd, 1917, which declared that 'territorial propinquity creates special relations between countries . . .' and therefore Japan 'has special interests in China, particularly in that part to which her possessions are contiguous'. President Wilson afterwards said that he did not know of the secret agreements with Japan regarding Shantung when Lansing signed the Agreement. The Lansing-Ishii Agreement, after it had done what was expected of it, was cancelled by the Hughes-Hanohara Notes of April 14th, 1923.

In the same year the Russian Revolution introduced a new and incalculable factor. On August 14th, 1917, China declared war on Germany, Japan viewing Anglo-American pressure in that direction with unconcealed disfavour; and

*Effect of the submarine campaign on the Shantung question*

*The Lansing-Ishii Agreement: 1917*

*The Russian Revolution: 1917. China declares war on Germany*

though China entered the War without making specific conditions, the Allies undertook to consider her claims, and suspended the Boxer Indemnity payments and agreed to a revision of the Customs Tariff up to an *effective* 5 per cent.

*Chinese Expectations at the Armistice : 1918* Meanwhile the speeches of Allied statesmen aroused the liveliest hopes in Chinese breasts. No specific promise was ever given to China; but the principles professed by the Allied Governments seemed to foreshadow a new era. President Wilson and Mr. Lloyd George used language, not once, but many times, which, in Chinese ears, could hardly bear any other interpretation than the readiness of the Allied Powers to relinquish all privileges on Chinese soil; and by that time the intentions of the Enemy Powers had become negligible. Moreover, the Armistice was signed on the basis of the Fourteen Points, by which the guarantee of Chinese expectations seemed to receive the endorsement of an official pledge carrying the signatures of Allied and Enemy Powers alike. China, in fact, believed that the Paris Conference offered her a unique opportunity of placing her case before the world, that the Treaty of Peace would give her that 'equal status' with other Powers which she sought, and that the so-called 'unequal treaties' would be abrogated. 'Spheres of influence', 'leased territories', 'Twenty-one Demands'—all would go by the board; and China would stand once more on her own feet.

*China at Paris : 1919* Inevitably these hopes foundered. Chinese expectations sprang from a mistaken interpretation of the purpose of the Paris Conference, which was limited to the making of peace with the Enemy Powers and therefore excluded many urgent international problems, of which China was not the least. The Chinese Delegation only realized this obvious truth after the Conference began (i.e. early in 1919); and I can remember the dismay of its members, described to me in vivid terms by Dr. Morrison. Even after Dr. Wellington Koo and his colleagues knew that their purpose must fail, they still clung to the hope that an American veto would save Shantung from Japan; but this, again, was decided against them—

- (1) because Great Britain, France, and Italy were already pledged to support Japan;
- (2) because President Wilson feared that Japan would desert the League of Nations if he refused them Shantung.

So, having refused to sign the Treaty of Versailles, China went home, not indeed empty-handed, for she had fallen heir to



German and Austro-Hungarian concessions, &c. (e.g. at Hankow and Tientsin), but sore and disillusioned. It must be remembered, too, that by the mere declaration of war she had cancelled her 'unequal treaties' with two Great Powers, Germany and Austria-Hungary.

Chronologically, the Conference decision on Shantung (April 30th, 1919) preceded the presentation of the Chinese case as a whole (May 14th, 1919). The latter, which was argued in a long memorandum,<sup>1</sup> need not detain us here, for it was presented again at the Washington Conference in the 'Ten Points of China'.<sup>2</sup>

From the point of view of British policy both documents are important, for they proceed on lines which the British Government has at times attempted to follow. Moreover, they bear a close resemblance to the conclusions reached by many well-informed Europeans in China at the end of the War. These conclusions have never been publicly stated, either in the official policy or in the Press; but they may be said to represent a consensus of opinion held by those who took a long view of British and Chinese interests alike. For purposes of comparison with the Chinese documents referred to above, this consensus of liberal European opinion in China in 1919 may be set forth in seven points which, while properly regarded as an ideal policy, none the less represent a constructive programme capable of early execution:

- (1) The gradual and eventual abolition of extraterritoriality;
- (2) the creation of a unified railway system, in Chinese ownership but under international (including Chinese) control, with the 'spheres of interest' abolished;
- (3) financial reform, all foreign loans to be raised through an international finance committee, with guarantees that the proceeds would be spent on bona fide civil purposes;
- (4) tariff reform, but not (as yet) complete tariff autonomy;
- (5) currency reform;
- (6) the remission of the Boxer Indemnity;
- (7) the abolition of Legation Guards at Peking.

Those who held these views—among them, merchants, missionaries, and diplomatists—knew that China was not ready to stand entirely on her own feet, but they also knew that only

<sup>1</sup> For the 'Conclusion' of which see Appendix III, p. 46.

<sup>2</sup> See Appendix IV, p. 48.

such a programme could put Anglo-Chinese relations on a friendly and constructive basis, and establish, at one and the same time, our good faith and the stability of China. If these proposals could have been published as a basis for discussion, or even if Shantung had been restored in Paris to China, the course of events since 1918 might have been very different.

Meanwhile the Powers acting at Peking took such steps as were within their power to improve the situation. Obviously the first thing to do was to stop the constant internal strife. With this object they took two steps.

*The  
Shanghai  
Conference :  
1918*

First, on their advice and owing to their initiative, a conference was summoned at Shanghai between civilian representatives of the North and the South. The delegates on both sides, being civilians, found little difficulty in establishing friendly relations with each other. It soon appeared, however, that both parties were hampered by the fact that they had no control or influence over the militarists in their own district. In particular they protested against the National Defence Bureau and the Japanese Loan for twenty million *yen*, on the ground that it was intended to create, not a Chinese national army, but a Japanese army in China. Moreover, notwithstanding the pledge given on both sides that there should be an armistice, military operations were continued by the North in the province of Shensi. Repeated representations were made by the Northern delegates to Peking for observance of the conditions of the armistice, but when they met with no satisfaction the Northern delegates resigned.

*Arms  
Embargo :  
1919*

Other practical steps were taken to curtail the civil war. There was a serious danger that China would become a dumping-ground for the large quantity of arms and ammunition which, owing to the conclusion of the War, were left in the hands of different countries. If this was merely sold to China, the results might be disastrous. An agreement was therefore arrived at between twelve nations, including Great Britain, the United States of America, France, and Japan, and on May 5th, 1919, the Chinese Government were informed by the foreign representatives that they had agreed effectively to restrain their subjects from importing into China arms and munitions of war until the establishment of a government whose authority was recognized throughout the whole country. This embargo has been almost a dead letter. In the early stages Italy refused to participate, until she had disposed of large stocks to various ' War Lords '.

The United States passed an Act which forbade the export of arms from American territory but did not prevent United States citizens from trafficking in arms in China. Attempts to convict such persons in the American Consular Courts have failed. Great Britain proceeded by Order in Council, and under King's Regulations No. 25 British subjects have been convicted and sentenced, e.g. 'Major' Christie in 1925. Exports to China from the United Kingdom and all British Dominions have been prevented by a system of licensing ; and foreign ships touching at Colombo, Singapore, and Hongkong are liable to search and confiscation of cargo under local regulations. Other signatories of the Embargo Agreement have more or less effectively checked the traffic ; but non-signatory Powers, and especially Soviet Russia, have defeated its purpose by supplies of arms on a vast scale. It is one of the grievances of British merchants, especially in North China, that they are precluded from a lucrative trade which other nationals drive with great profit.

The Shanghai Conference had one useful result. It was agreed that the Delegation to the Peace Conference should comprise representatives both of the Peking Government and of the South. This was important, for there was much apprehension that the Government, which was pro-Japanese, would fail to press the Chinese case ; and there had even been a suggestion that Chinese interests should be represented by Japan. It was in fact Dr. V. K. Wellington Koo, at that time Chinese Minister in Washington, the nominee of the South, who took the leading part throughout the whole proceedings. He completely overshadowed Lu Cheng-hsiang, the Chinese Minister for Foreign Affairs, who was the official head of the Delegation in Paris. Thus the national civilian element had an opportunity which was used with real ability for stating the case for New China.

*Both South  
and North  
represented  
at Paris :  
1919*

That a new China had come into being was self-evident. Public opinion was in the making, with all the ferment inseparable from so vital a process. Agitation, which had ebbed and flowed irregularly since 1911, reached its high-water mark in Peking on the Sunday following the Paris decision to let Japan retain Shantung. The movement spread southwards to a region already more congenial to it than Peking ever was ; but, all the while, it was a domestic movement with an anti-Japanese motive. The general anti-foreign tide had not yet risen. None the less the universal character of the boycott of Japan, coupled

*The New  
China*



with the success of the students in appealing to the people as a whole (at least in a dozen or more of the large cities, especially those containing the important foreign concessions), was a very impressive demonstration of a new political spirit. The students in particular accomplished a solid piece of work; they created an interest in public affairs where no such interest existed before. This growing force of an articulate public opinion should be the ultimate salvation of China.

*Warnings of  
its power*

It was, then, with a new China that the European Powers had henceforward to deal. The immediate expressions of this movement, which took the form of petitions and addresses to the British Legation in Peking and to the British Government, were moderate and dignified in tone and expression. They appealed to the new spirit, the sense of the equality of nations, the mutual responsibility of nations for each other's welfare which, it was understood was to have free expression at the conclusion of the War, and they demanded help and sympathy in the application of these new principles to the affairs of their own country. What they immediately demanded was justice to China.

If this was not given, however, they added to the warning—

No future statesmanship can prevent an irredentist agitation of the most violent character developing both far and wide and poisoning the life of the nation. . . . Every one had confidently believed that the design of the League of Nations and the public denunciation by Western statesmen of all the bad treaties made since 1914, meant the end of Power politics, the termination of secret trafficking among the strong at the cost of the weak. For the nation to be told now that expediency requires China to be sacrificed is to do it mortal hurt which no blandishments can disguise.

If some solution was not found satisfactory to the Chinese people, a conflict was bound to occur within the next few years. The danger, already visible on the horizon, was that the agitation, which had been defined within reasonable limits and which was only against the Japanese and pro-Japanese party in the Government, might eventually grow into a general attack on all foreigners and might produce a spirit in which the possible settlement of the many questions which were long ripe for solution would be made impossible.

These prophetic warnings, both from Chinese and from European lips, were not altogether unheeded; but the Powers—and especially Great Britain to whom they were addressed—were too deeply entangled in the commitments of the past to dis-

engage themselves quickly enough to meet a rapidly developing situation. The Shantung decision, moreover, made matters worse; and though it was reversed within three years, it did so much mischief in the relations between China and the Powers that it must be regarded as the immediate cause of the conflict which ensued.

Meanwhile (1918-20) a new Consortium was in formation. When China came into the War, she required a loan for which the American Government proposed a new Four Power Group in July 1918.

The scheme 'as submitted to His Majesty's Government may be summarized as follows :

1. It is proposed to establish a system of international co-operation in Chinese finance in the shape of a Four Power Consortium, comprising Great Britain, France, the United States, and Japan, each Power constituting a representative group of banks and financial houses without prejudice to the claims of Belgium and Russia, to be included at a later date.
2. The four groups will share equally in all Chinese Government guaranteed loans, industrial as well as administrative and financial, which involved a public issue, but financial operations not involving a Chinese Government guarantee or a public issue will be open to all.
3. The groups will pool all existing and future options, except such concessions as may be already in operation.
4. Each national group will receive the active and exclusive support of its Government in the sphere thus indicated.<sup>1</sup>

*The New Consortium : 1920*

Prolonged correspondence took place; the Japanese Government refused to admit complete equality of interests in South Manchuria and Eastern Inner Mongolia where Japan had special interests; they, therefore, at first suggested that the proposed agreement should not apply to these two areas. Eventually, however, a compromise was reached; the special interest of Japan in Manchurian railways already in operation or begun was recognized; of the four concessions for future building, one was offered to the Consortium 'pool' and three were retained by Japan alone. Her general claim was denied; her special position in Manchuria was tacitly admitted, and for the rest of China she participated on the same terms as the other three Powers. On

*Japanese demand for special recognition of Manchurian interests not endorsed, but modified by the Consortium Powers*

<sup>1</sup> British White Paper : Miscellaneous No. 9 (1921). Cmd. 1214. (9d.), p. 12.

*British  
Policy in the  
Consortium*

one point the proposal involved a complete reversal of the policy hitherto adopted by the British Government by which it had been decided to exclude industrial loans from the scope of the activities of the first Consortium, but 'so convinced are [they] of the urgency, in the interests not only of China herself but also of foreign trade and finance, of adopting some system to ensure the proper control of loans to the Chinese Government, that they have determined to depart from their previous attitude and to authorize, on certain conditions, the participation of a British group in a Consortium constituted on the lines suggested by the United States Government'. They made it a condition that the inclusion of industrial loans in group business should be 'subject to the understanding that the promise of support by His Majesty's Government applies solely to the financial side of such loans, that the British group is prepared to dissociate itself from the industrial side and, while providing for the flotation of the loans, to put up to public tender the contracts for the execution of the engineering or other works to be built out of the proceeds of the loans and for the supply of the necessary materials'.<sup>1</sup> These matters having been settled, the agreement was finally signed in New York in October 1920.

*The Object  
of the  
Consortium*

The object of this, as of the earlier, Consortium was the protection of China against herself, and against the competitive commercial and financial claims of the Powers; the justification for it was to be found in the weakness of the Central Government and the division of the Provinces. If there were no Consortium, at once indiscriminate and profligate borrowing would revive and put an end for ever to the financial reconstruction of China, which it is the special function of the Consortium to achieve. The battle of concessions would be resumed. Vested foreign interests would be created, and in case of default, aggression, or unfair competition, it would become increasingly difficult for the Powers, acting separately, to refrain from recognizing the interests claimed by their nationals and from interfering for their protection. Foreign interference in that sense would be tantamount, in fact if not in name, to a resumption of international spheres. The end for China would be foreign tutelage. She would have ceased to exist as a sovereign Power. In the present politically weak state of China the Consortium is almost the only remaining bulwark of her political integrity. As soon as a strong and stable Central Government

<sup>1</sup> Op. cit., p. 17.



has been restored, and as soon as the country has shown ability to maintain financial equilibrium, the Consortium will have done its work and its privileges should be withdrawn. Until then, the Consortium is a necessary, it is hoped a passing and temporary necessity, but still a necessary international instrument for preventing the breakdown of China. The principles of the Consortium were in accordance with the general policy of the British Government, which was, by foreign assistance and foreign control, to do all that was possible to stop the senseless squandering of China's resources and to make possible the creation in China of a capable administrative system.

We now come to the Washington Conference, which had a dual origin and a dual character. It dealt with disarmament and with politics in the Pacific. For our present purpose the latter subject takes precedence, not only because it is intrinsically the more important but also because it was placed on the agenda by the initiative of Great Britain. In his two books *China at the Conference* and *Foreign Rights and Interests in China*,<sup>1</sup> Professor W. W. Willoughby gives the British Government no credit for thus taking the lead, and makes it appear that the initiative on *both* subjects lay with Washington. On pp. 4 and 5 of the former volume he quotes (in a foot-note) the statement made by Mr. Lloyd George on July 7th, 1921, in the House of Commons which implied that Great Britain had made a proposal the fate of which depended on the 'replies received from the *United States*, Japan and China'; and in point of fact Lord Curzon had already sounded the Japanese Ambassador and the Chinese Minister on the matter. Beyond this reference, which finds no echo in the text of the book, Mr. Willoughby is silent on a point to which we must attach some importance, for British initiative at that moment, if established, is proof that British policy in China was about to change for the better. It is true that on July 11th Mr. Lloyd George used language which was open to two interpretations, but when he said that he welcomed 'President Harding's wise and courteous *initiative*', we must assume that he was referring to the fact that the original idea of a conference came from the United States.

There were urgent reasons why we should take the lead in a new departure. We had warning<sup>2</sup> that the situation demanded something like heroic measures, and inaction could only mean

*The Wash-  
ington Con-  
ference :  
1921-2*

*British  
Initiative*

*Reasons why  
a new de-  
parture was  
imperative*

<sup>1</sup> 2nd edition, 1927.

<sup>2</sup> See above, p. 20.

deterioration of our interests and our policy alike. Moreover, the Far East had undergone vast change since the Anglo-Japanese Treaty was first signed in 1902. The originating motive of the Alliance had disappeared: Japan had come to terms with Russia over Manchuria in 1916, and the expulsion of Germany from the Far East had radically changed the *status quo*. It was well known that good relations with the United States—a cardinal principle of all British policy—were clouded by American dislike of the Alliance. And, finally, the cumulative effect of events *in* China and of repeated representations *from* China proved the necessity of a new departure.

Now, these considerations were not absent from the mind of the British Government, but the Cabinet was not prepared to denounce the Japanese Treaty unless and until a better instrument would take its place. The whole subject was ripening for treatment, but Great Britain might not have seen her way to advance had it not been for two events which occurred in a happy conjunction. The Imperial Conference met in London in the summer of 1921, and President Harding proposed a Conference on Disarmament. At the Imperial Conference the Japanese Alliance came up for discussion. Australia and New Zealand supported the British Government in the renewal of the Treaty. Canada took the opposite course, and presented the argument against renewal with such force that the British Government, already aware of the validity of the Canadian plea, resolved to seek a new solution of the whole problem. President Harding's proposal provided the occasion; and thus it came about that the Washington Conference gave us a providential opportunity to extricate ourselves from an embarrassing and unprofitable situation. By the proposal to reopen the Far Eastern question at Washington, Great Britain regained the initiative in the Pacific and still holds it.

*Japan  
attempts  
to exclude  
political  
questions*

When the Japanese Government learned that politics would appear on the Agenda of the Washington Conference, they declared that the Conference ought to confine itself to 'the main object' (i. e. disarmament), and that 'introduction therein of problems such as are of sole concern to certain particular Powers or such matters that may be regarded as accomplished facts should be scrupulously avoided'. The desire to burke political discussion could not have been more plainly expressed. But Japan could not afford to be placed in isolation, and, having

already tasted the fruits of a Chinese boycott, she probably realized that some change in her Chinese policy was advisable. She therefore accepted the American invitation with the hope, however, that the Agenda of the Conference would be drawn up in such a way as to meet the views she had expressed.

The Conference met in November 1921; and its meeting must be regarded as the first success of a new British policy won by Anglo-American diplomacy. The story of its proceedings is told in the Official Report published by the United States Government,<sup>1</sup> and (in handier form) by Professor Willoughby in his *China at the Conference*.

China came to the Conference with an explicit policy, albeit stated in general terms, which is given in the 'Ten Points of China'.<sup>2</sup>

Japan placed no cards on the table except when she had to; she was prepared to negotiate with China over the release of Shantung, but stipulated that the Shantung negotiations should be outside the official scope of the Conference.

Great Britain came (a) with a general intention to place her relations with China on a better footing, (b) contemplating Weihaiwei as a counter in the game of making Japan give China a square deal over Shantung; and (c) with the hope, or the purpose of substituting for the Japanese Alliance a Tri-Partite Pacific Agreement which should bring the United States into a new partnership.

*The policies  
of the four  
principals*

The United States had views upon most things, especially on the Anglo-Japanese Alliance: but cast herself, *con amore*, for the part of the 'honest broker' (in actual fact, Lord Balfour and Mr. Secretary Hughes did the 'broking' between them).

The results of the Conference are to be found, substantially, in four treaties—

*The results  
of the  
Conference*

- (1) The Four Power Treaty, between the United States of America, Japan, France, and the British Empire, which displaces the Anglo-Japanese Alliance and guarantees the 'insular possessions and insular dominions' of these four Powers.
- (2) The Nine Power Treaty, between the United States of America, Belgium, the British Empire, China, France,

<sup>1</sup> *Conference on Limitation of Armament held at Washington, 12th Nov. 1921–6th Feb. 1922, Proceedings of (Eng. and Fr.), 1,757 pp. \$1.75.*

<sup>2</sup> See Appendix IV, p. 48.



Italy, Japan, the Netherlands, and Portugal, which is intended to be a new charter for China and commits the signatories anew to the 'open door' policy and 'to respect the sovereignty, the independence, and the territorial and administrative integrity of China', in nine articles which must be studied separately.

- (3) The Nine Power Treaty on the Chinese Customs Tariff which decreed—
  - (a) an immediate revision of the tariff to an effective 5 per cent. [This was to be put into force by a conference meeting within three months.]
  - (b) a general revision of the tariff, to make it a more effective instrument of revenue, with the authority to increase it in return for the abolition of *likin* (i.e. a repetition of the Mackay Treaty of 1902). [A conference on this subject was to be summoned three months *after* ratification, a proviso which eventually entailed a delay of three years.<sup>1</sup>]
  - (c) an immediate increase, by a surtax of  $2\frac{1}{2}$  per cent. above the effective 5 per cent., which was an obligatory part of the second conference programme (see above under b).
  - (d) and to fix the purposes for which this additional revenue was to be used.
- (4) The Sino-Japanese Shantung Treaty which restored the German leased territory to China provided for the withdrawal of Japanese troops and the transfer, under conditions, to China of the Tsingtao-Tsinanfu railway, the re-integration of the port in the Chinese Maritime Customs, and Japanese renunciation of any claim to a Japanese concession in Kiaochao.

In order to facilitate negotiations Great Britain agreed to restore Weihaiwei, and in 1924 had in fact negotiated an agreement for the purpose which still awaits the signature of a competent Chinese authority.

France, on the other hand, agreed to restore Kwangchowwan as part of a *general* restoration of all leased territories.

Minor, but important, decisions were

- (1) to appoint a Commission, if and when China so desired, to consider the withdrawal of all foreign garrisons unauthorized by treaty ;

<sup>1</sup> See below, p. 27.

- (2) to surrender, under guarantees, foreign post offices on Chinese soil;
- (3) to suppress unauthorized wireless stations.

It is not to be doubted that these results represent a real achievement. Some of the principles involved were not new, but the spirit of the occasion and the general character alike of the proceedings and of the Root Resolutions set the Conference apart in a category of diplomacy wholly unlike any precedent. China was the chief—and, indeed, a very large—beneficiary; but her gain was, in fact, nobody's loss for, in Lord Balfour's words, 'Washington was no ignoble wrangle for petty gains.' Renunciation of territory or privilege was a low price to pay for an option on Chinese goodwill in future.

*The  
Washington  
Achievement*

With a stable government in power, or even in early prospect, in China the Washington Conference would almost certainly have been the Open Sesame to a new era in the Far East. This condition was absent, and Chinese instability brought the hopes of Washington to naught, or delayed their fulfilment for many years.

The sequel was, inevitably, delay. The Tariff Revision Commission met and revised the tariff to an effective 5 per cent., but the Tariff Conference proper tarried three and a half years, while every year clouded its prospect of success. For this delay France must share the blame with China.

The second Nine Power Treaty provided for 'the special Conference on the Chinese Tariff' three months after ratification. During 1922 ratifications came in, one by one; but France refused to ratify because she had failed to secure satisfaction from China of her claim that the instalments of the Boxer Indemnity should be paid in 'gold francs' which France contended as 'francs at par' and China as 'francs at current rates of exchange'. The French contention was correct, the French diplomacy indefensible; for it took three years to settle the question, irrelevant to the Washington Treaties, and thus held up an urgent question in a fatal delay. The Conference, when it met in 1925, adjourned without result.

*The Sequel in  
Two Tariff  
Conferences*

Under Resolution IV (December 10th, 1921) of the Washington Conference, the Commission on Extraterritoriality met in Peking on January 12th, 1926, the principal reason for the delay being the internal condition of China. The representa-

*The Sequel  
in Extra-  
territoriality*

tives of thirteen Powers signed the Report <sup>1</sup> on September 16th, 1926, recommending that, when certain conditions have been satisfied, the Powers concerned shall relinquish extraterritorial privileges, it being understood that their nationals will then have the right to reside, trade, and enjoy civil rights in all parts of China. The conclusions of the Commission are set out on pp. 94-6 of the Report. Read with the relevant articles of the Nine Power Treaty, this Report represents the first constructive step taken collectively by the Powers and, though it cannot come into full operation for an indefinite time, it is none the less a feature as novel in their behaviour as it is important.

*A renewed  
British  
Initiative :  
1926*

It was apparent, even before the Commission met, that no immediate action would follow, unless one of the Powers took the responsibility of the first step after the signature of the Report. It was Great Britain, once more, that took the necessary responsibility. Early in 1926 the British Government endeavoured to engage the United States Government in a joint new departure which might bring some positive result out of the Washington pledges, both in respect of extra-territoriality and in respect of the tariff. The United States Government hung back and thus delayed British action till the end of 1926 when, on December 18th, the British Government circulated the 'Memorandum on policy in China' <sup>2</sup> to the Washington Treaty Powers.

This brings us to a brief appreciation of contemporary British policy. But before setting out the conclusions which seem to follow from the foregoing historical review, we must take note of two factors which, for obvious reasons, play an independent part in Far Eastern politics : Republican Germany and Soviet Russia.

*Germany  
and China*

By the Treaty of Versailles Germany renounced all privileges accruing to her from the Final Protocol of 1901, surrendered her concessions at Hankow and Tientsin, both to the benefit of China, and gave up the lease of Kiaochao. Owing, however, to the Chinese refusal to sign the Treaty, no regular relations between the two nations existed for about two years.

*The  
Agreement  
of 1921*

On May 20th, 1921, diplomatic contact was restored by the Sino-German Agreement which came into force on July 1st following. By it complete equality and absolute reciprocity were established, and the provisions of the Versailles Treaty

<sup>1</sup> British White Paper : China, No. 3, 1926. Cmd. 2774. 2s. 6d.

<sup>2</sup> See Appendix V, p. 49.



were accepted. Germany relinquished extraterritoriality on the understanding that litigant Germans should only appear in modern Chinese courts. Germany was thus the first European Power to acknowledge and respect the absolute sovereignty of China and to enter upon relations of absolute equality with her—a precedent of which the importance is obvious. There is as yet meagre information regarding the effect of the new régime upon German nationals and German interests in China, but it appears certain that the condition of the ex-German leased territory at Kiaochao has deteriorated.

If German policy in China since the War has its own importance as creating a precedent for other Powers, the action of Soviet Russia has even greater significance. Russian relations with China, therefore, demand a more detailed account. For at least four years after 1919 no diplomatic relations subsisted between the two Powers, and negotiations were conducted now with one War Lord, and now with another. The purpose of the Russians was twofold; to retain the position of Imperial Russia in North Manchuria, and to secure Chinese recognition of the Union of Soviet Socialist Republics.

*Russia and  
China after  
the War*

The Soviet Government naturally desired to reassert the territorial rights and claims which had been established by the autocracy and quickly showed a disposition, especially in Mongolia, to pursue the traditional policy of Russian penetration, which in so many parts of Central Asia had been followed by conquest and annexation. In fact, whatever the Government of Russia might be, it was inevitable that constant friction and conflict should arise throughout the length of the common frontier. Moreover, the Governments in power in Peking, both before and after the end of the War, were very averse to the doctrines of Bolshevism and seriously apprehensive lest they might spread in China itself.

*The purpose  
of Russian  
policy*

For these reasons, during the first years after the War the relations between the two countries tended to be unfriendly. The first object of the Soviet Government was naturally to recover the full authority over Eastern Siberia and the maritime province which had been violated by the support given to Kolchak and the Russian Whites by the Allies. In this they were successful. The Far Eastern Republic was reabsorbed into the Union of Soviet Republics; the remnants of the White forces which had continued a sporadic warfare were defeated and expelled, many of them taking refuge in Man-

*The Far  
Eastern  
Republic*

churia; and the Japanese troops were withdrawn from the Maritime Province. Thereby the Soviet Government regained complete sovereignty throughout all recognized Russian territory.

*The Chinese Eastern Railway*

It remained to clear up the situation in Manchuria, especially concerning the Chinese Eastern Railway. In regard to this, it is only necessary to recall that the railway had been built under a concession made by the Chinese Government to the Russo-Chinese Bank in 1896. Behind the Bank stood, however, the Russian Government and the control of the railway had been 'one of the spear points of Russian aggression'. It was practically entirely under the control of the Russian Government, which also had received extensive rights over a strip on both sides of the railway, known as the railway zone. The Russians had also claimed and exercised the right to station troops and railway guards, to establish posts and telegraphs, and to organize police within this territory. Briefly stated, it was the object of the Chinese to recover their sovereign rights over the railway and the adjoining territory, and in this, during the breakdown of the Russian power at the end of the War, they had had very considerable success. The Russians, however, notwithstanding declarations made in 1919 and 1920 that they would abandon all special privileges obtained by the former Russian Government in China, showed that they were not disposed to acquiesce in a surrender of the management of the railway. The settlement of this question, which was one of great importance, became therefore a cause of friction.

*Japan and Russia in Manchuria*

The situation was complicated by the fact that the negotiations were carried on sometimes with the Government of Peking, sometimes with Chang Tso-lin, who had established, as we have seen, an almost independent authority in Manchuria: and, moreover, it was one in which the Japanese were closely interested. The old struggle between Japan and Russia for control of this Chinese territory was still continuing. In this conflict the chief weapon was the railways. The Japanese, with great energy, were from the south pushing the development of other lines on a different gauge from the Russian system, and gradually getting into their hands complete economic control over the country, so that not only the Chinese Eastern Railway, but also the purely Russian Amur railway and Ussuri railway to Vladivostock, lost a great part of their traffic and were

conducted under great difficulties. Meanwhile, in the southern part of Manchuria there was a rapid advance of Chinese colonists, who in increasing numbers were settling on the unoccupied land and thereby greatly strengthening the Chinese position. It was a situation which ominously resembled in some respects that of 1904.

In Outer Mongolia the situation was also dangerous. The Chinese, taking advantage of the Russian collapse, had in 1919 sent an army under 'Little' Hsü to Urga and re-established their sovereignty over this district, which they regarded as an integral part of China. This led to a reaction and there was established the Revolutionary Mongol People's Party for the liberation of the country from the yoke of foreign imperialists. (In this case it was the Chinese who were the imperialists.) Their programme was an independent democratic Mongolia, in close alliance with Soviet Russia. They quickly succeeded in expelling the Russian Whites who had remained after the War, and with Soviet help (the Red Russian troops were actually stationed in Urga) got control over the country. This meant the elimination of Chinese influence, and as a consequence of the civil war in China itself, Hsü and his troops had been withdrawn. This left the ground free for the extension of Communist influence. The original leaders and founders of the Mongol People's Party, who refused to go the whole way with the Soviet, were expelled or shot. It is noticeable that Danzan, the chief organizer of the whole thing, was executed on the charge, among others, of having compelled the payment to a Chinese firm of old debts which had been annulled by the People's Party. The country was flooded by the whole apparatus of Soviet propaganda. A revolutionary Union of Youth was established in close connexion with the Communist International of Youth; an educational system was set up on a communist basis and young Mongolian students were sent to Russia to pursue their education as propagandists. Finally clauses were added to the Mongolian constitution by which it was declared that 'under the guidance of the Communist International and in close union with the labouring classes of China, Japan, and Korea, the Mongolian labouring people will resolutely base itself upon the Communist International and the U.S.S.R., who are really and sincerely advancing to help the peoples of the East'.

*Mongolia*

All this was of immediate importance even in regard to China



itself. Marshal Feng Yu-hsiang, whose domain was to the north-west of Peking, had used his position to build motor roads, which enabled the Soviet Government from their base in Mongolia to send military assistance to their allies in China. To their position in that country we must now turn.

*Soviet  
Representa-  
tion in  
Peking* From 1920 onwards there had been established in Peking a representative of the Far Eastern Republic, and afterwards of the Government of Moscow. This post was filled first by M. Joffe, then by M. Karakhan. The position was an awkward one. What they specially desired was the official recognition of the Soviet Republic by China; this the Chinese refused to grant, being not unnaturally estranged by Russian action in Manchuria and Mongolia. In 1920 the Chinese had, however, withdrawn their recognition from the representatives of the old tsarist government, who were still stationed at Peking, and from the consuls throughout the country. The result of this was that the Russian consular jurisdiction automatically came to an end and Russians residing in China no longer had extra-territorial privileges.

*Bolshevik  
propaganda* The Bolshevik representative was meanwhile attempting to establish influence over and win the support of the population in the capital. He appears to have had no success in gaining adherence to the communist doctrine, but, on the other hand, he succeeded in gaining very considerable influence over the students in the national university at Peking, which, ever since the spring of 1919, had been the centre and focus of the more extreme nationalist agitation, and M. Karakhan himself took every opportunity of encouraging the students to protest against the 'unequal treaties'. His role was in fact to represent himself and his government as the supporters of Chinese nationalism in their conflict with foreign imperialism. It was of equal importance that M. Joffe, in the spring of 1924, during a visit which he paid to Japan, met Sun Yat-sen at Shanghai and had repeated conversations with him. These seem to have been of considerable importance and by them the first direct touch was established between Moscow and Canton. There was also dispatched to Canton, M. Borodin, who from that time acquired so much influence in the southern capital.

*Enter  
Borodin* In the summer of 1924 M. Karakhan, having succeeded M. Joffe, returned to Peking and eventually succeeded in negotiating the formal agreement with China, which had for so long been the main object of Russian diplomacy. This agreement,

*The Russo-  
Chinese  
Agreement :  
1924*

which was signed on May 31st, provided first for the immediate resumption of diplomatic relations between the two countries. In addition to this, the Russians agreed to annul all the old treaties between China and the former Imperial Russian Government and declared also that all treaties and agreements concluded between the tsarist government and any other party or parties affecting the sovereign rights or interests of China were null and void. Russia renounced also all concessions acquired by the tsarist government, her share in the Boxer Indemnity and all extraterritorial rights, including the abolition of consular jurisdiction. This then was the second treaty signed by China with a European Power on the principle of full equality, and for this reason was a very important advance in the achievement of the Nationalist programme.

*Russian  
Extraterritoriality  
abolished*

Clauses were included dealing with Outer Mongolia and the Chinese Eastern Railway. Russia agreed to recognize that Outer Mongolia was an integral part of China and to respect Chinese sovereign rights there, and also to withdraw her troops as soon as the details had been arranged at a forthcoming conference. The question of the Chinese Eastern Railway was to be settled on the lines that it was to be a purely commercial enterprise, that all matters relating to municipal government, civil and military administration and the special zone, should be dealt with by China; China was to have the right to re-purchase the line, and all questions dealing with the railway were to be determined by Russia and China to the exclusion of any third party.

*Mongolia*

*The Chinese  
Eastern  
Railway*

It is to be noted that notwithstanding the clause regarding Mongolia in this agreement, not only did the Russian troops continue in the occupation of Urga, but a Russian envoy shortly afterwards arrived in that town and assumed his duties as Minister Plenipotentiary of the Union of Soviet Socialist Republics in Mongolia, and at the same time Mongolia dispatched a diplomatic representative to Moscow. In this matter it appeared that the treaty with China was to be regarded almost as a dead letter; notwithstanding its terms Outer Mongolia was controlled by a government inspired and openly assisted by the Soviets and was brought into the situation of a practically independent State in close alliance with, if not technically a portion of, the Union of Soviet Republics.

As an immediate result of this agreement a Russian Ambassador took over the Russian Legation, which was of course situated

*A Soviet  
Ambassador  
in Peking*

within the Legation area, in close contiguity to the Legations of the other Powers, and the Russian Ambassador was enabled from this favourable position to carry on an overt and public propaganda against his diplomatic colleagues. Russian consuls were also at once sent to the principal towns in China, each of them naturally becoming a centre of Bolshevik propaganda. The events which took place during the next twelve months were to give them an un hoped-for opportunity.

#### V. THE MAIN FEATURES OF BRITISH POLICY

*British policy  
commercial  
in motive*

Great Britain was not the first Power to trade with China, but she rapidly became the most important and her policy was dictated primarily, if not solely, by commercial interest. The Macartney and Amherst Missions (1793 and 1816), the First China War and the Treaty of Nanking (1842), the 'Arrow' or Second War and the Treaty of Tientsin (1858-60) all were prosecuted in the course of trade. Even the acquisition of territory, as in Hongkong, was made in order that British merchants should have a secure base for their lawful occasions. No doubt, the growth of England's Imperial responsibilities in both hemispheres during the eighteenth century made aggression in China appear a risky enterprise and prevented British Imperial expansion in the Far East as in the Dutch Indies. If there had been no Indian Empire to exploit and administer, British pioneers might have laid the foundations of an even greater vice-royalty in Peking. But the fact remains, as it emerges clear and plain from the history of British enterprise in China, that trade was ever our first interest, and that we have never willingly passed beyond it to found even the beginnings of an Empire in the Far East.

*Obstacles to  
trade in  
China*

Doubtless, at times, the British Government was driven to take action which seemed something more than commercial; and the reason is not far to seek. In the first period of our review we, as the leaders of the 'ocean-men', found our traders' way barred by an arrogant dynasty<sup>1</sup> which acknowledged no other Power on equal terms. Unaccustomed to any such denial of what we deemed our manifest right, we pressed our claim to trade with China to the point of war; and, as already noted, we fought the First China War in order to open the closed door of China to our merchants. That it was occasioned by a dispute

<sup>1</sup> See above, p. 2.



over the import of opium is true ; that it was fought only to force opium on an unwilling consumer was not true. British statesmen, from Gladstone onwards, have sometimes denounced the so-called 'Opium War', and if it had been only a war for that unpleasant drug their denunciation would be valid. But they and our modern Chinese critics alike forget that our main purpose was to secure both equal status and security for our nationals in China, and that other nationals did not fail to profit by our action, leaving us to bear the brunt of the odium.

During the nineteenth century other nations developed their trade with China and found it necessary to follow our example in protecting themselves against the risks which we had encountered. Two of them, however, had purposes far beyond trade. Russia, in her continental expansion to the east, and Japan, in her growth as an imperial Power, had designs on the Chinese mainland which drove them to infringe the sovereignty and the territorial integrity of China in a manner far more penetrating than ours. The trading Powers, in their turn, deemed it necessary, with each encroachment by Russia and Japan, to preserve 'the balance of power', or to seek 'compensation', by making renewed demands on China.

*The significance of Russia and Japan*

Thus, step by step, Great Britain was drawn forward on the road to territorial acquisition, against her will, and against the fundamental principle of her policy in China till, at the end of the century, she found herself on the brink of the 'Partition of China'. There she recoiled and, in company with Germany, refused not only to acquire territory for herself but to countenance the acquisition of territory by any other Power at the time of the Boxer Rising. Here, for the moment, Great Britain regained her original initiative in China ; but, though she strengthened her moral position by the original purpose of the Anglo-Japanese Alliance,<sup>1</sup> she began to lose her initiative once more in subsequent developments which (in part, at least) arose out of the Alliance itself. That Alliance was the British insurance against a general war, as well as against an apparent attempt by Russia to secure, by direct pressure on, or negotiation with, China, what she had been denied by the Anglo-German Agreement. If it was *insurance* for England, it was *encouragement* for Japan, and within three years Japan employed it to good purpose in the Manchurian War and the Treaty of Portsmouth.

*Britain regains the initiative*

*... and loses it*

<sup>1</sup> See above, p. 10.

*British  
policy  
negative*

British policy from 1902 onwards played no more than a negative part in China. It was perhaps inevitable that Great Britain, having no positive and aggressive purpose, should exercise no decisive influence on the Far East. She could do little more than temper the Japanese wind to the shorn lamb of China, and this she did to little effect. Her growing pre-occupation in the North Sea turned her attention more and more closely to Europe, while the 'disinterestedness' of the United States deprived her of the support of the only Great Power that might have aided her in pursuing a more genuinely protective policy in China.

*The new  
situation in  
1911*

At the time of the Revolution in 1911 Great Britain recognized that a period of transition had set in and that her role was to stand aside and leave China to work out her own salvation. This implied that, while taking steps to protect British commercial interests in China, she would do what she properly could to assist China to set up an orderly and stable government. This policy found expression in the Reorganization Loan; but our hopes that Yuan Shih-kai would prove the saviour of China were unfortunately dashed, and in fact our well-meaning efforts to support him were attributed to hostility to the nationalism centred in Canton. With the death of Yuan Shih-kai and the end of the Great War a period of ever-increasing chaos and civil war set in, during which the British Government aimed at the reconstruction of China through the Consortium, in which the pre-eminence of British finance would enable Great Britain to play a leading part. By the unification of railways, reform of the currency and of the financial administration, by the re-establishment of fiscal relations between Peking and the Provinces, we believed that the wonderful work of Sir Robert Hart in the Customs Administration, and the no less brilliant, though more meteoric, triumph of Sir Richard Dane in reorganizing the Salt Administration, both of which had so greatly enhanced British prestige, might be repeated in wider fields.

Unfortunately the plan suffered shipwreck in the rising storm of nationalism. It was a cardinal principle of the Consortium that no loans should be made to China except for purposes which fell within this constructive programme and subject to such conditions as would ensure the money being applied to the purpose for which it was lent and not wasted on civil wars. In their present temper the Chinese are deeply suspicious of any such proposal and firmly believe that the whole object of the

Consortium is, or was, to reduce China to a state of economic and political vassalage to the foreign Powers. All that the Consortium accomplished therefore was to prevent China pledging her visible assets in the money markets of the world.

Matters were in this stage when the Tariff Conference met in the autumn of 1925. Just at that moment the rising flood of nationalism had burst its bounds and seemed almost to sweep all before it. For a time there was a period of uncertainty when British policy faltered between two opposite ideals. Great Britain still hoped to carry through at the Tariff Conference a constructive policy for the benefit of China, but it was an essential condition of any such policy that China should accept foreign guidance and only gradually assume full control of her own affairs. As the Conference progressed it became evident that any attempt to impose foreign control upon China even for altruistic purposes could only end in deadlock. Not only was such control repugnant to the new spirit of nationalism, which seemed the only thing common to all Chinese, both North and South, but with so many warring factions in the field control must inevitably favour one or other, just as the Reorganization Loan of 1913 had favoured Yuan Shih-kai and worked to the disadvantage of Canton. Great Britain then came to the conclusion that in the interests of China herself and of the world at large the Powers should take a new course and leave China to work out her own salvation.

*British  
policy since  
1925*

The British Memorandum of December 18th, 1926, seeks to recognize the progress which China has made in the last quarter of a century in the arts of administration and in the reform and development of the judicial system. It seeks to satisfy to the fullest extent, compatible with security, the aspirations of the Chinese to be master in their own house. It calls upon the Powers to follow the British lead, abstain from interference for selfish ends, and give China a fair field in which to use her newly gained liberty, in the hope that she will seize the new opportunity and make good her claim to be a modern civilized State.

*A new initia-  
tive in 1926*

Thus forces at work since the War have brought Great Britain to a new view of her permanent interests in the Far East. The recognition of her position—the position of the greatest of European traders in China—meant a change of front; and with the change of front she has regained the initiative once more. Her part in the Washington Conference was dictated by her own interests and by the welfare of China.



*Great Britain's responsibility* Her subsequent action, in the abortive Tariff Conference, in the Extraterritoriality Commission, and, above all, in the Memorandum of December 18th, 1926, places Great Britain in the advantageous (if also momentarily perilous) position of leadership. Already committed by the Nine Power Treaty to a constructive policy in China, she is now doubly committed by her own act, in addressing the Treaty Powers last December, to the welcome responsibility of carrying the Washington principles into full effect.

## APPENDIX I

### EXTRACT FROM THE MANDATE OF THE CHINESE EMPEROR CHIEN LUNG TO GEORGE III OF ENGLAND. [MACARTNEY MISSION, 1793]

You [George III], O King, live beyond the confines of many seas, nevertheless, impelled by your humble desire to partake of the benefits of our civilization, you have despatched a mission respectfully bearing your memorial. . . . I have perused your memorial: the earnest terms in which it is couched reveal a respectful humility on your part, which is highly praiseworthy.

In consideration of the fact that your Ambassador and his deputy have come a long way with your memorial and tribute, I have shown them high favour and have allowed them to be introduced into my presence. To manifest my indulgence, I have entertained them at a banquet and made them numerous gifts. . . .

As to your entreaty to send one of your nationals to be accredited to my Celestial Court and to be in control of your country's trade with China, this request is contrary to all usage of my dynasty and cannot possibly be entertained. . . . If you assert that your reverence for Our Celestial dynasty fills you with a desire to acquire our civilization, our ceremonies and code of laws differ so completely from your own that, even if your Envoy were able to acquire the rudiments of our civilization, you could not possibly transplant our manners and customs to your alien soil. Therefore, however adept the Envoy might become, nothing would be gained thereby.

Swaying the wide world, I have but one aim in view, namely, to maintain a perfect governance and to fulfil the duties of the State: strange and costly objects do not interest me. If I have commanded that the tribute offerings sent by you, O King, are to be accepted, this was solely in consideration for the spirit which prompted you to despatch them from afar. Our dynasty's majestic virtue has penetrated into every country under Heaven, and Kings of all nations have offered their costly tribute by land and sea. As your Ambassador can see for himself, we possess all things. I set no value on objects strange or ingenious, and have no use for your country's manufactures.

## APPENDIX II

### DESPATCH FROM LORD PALMERSTON TO THE MINISTER OF THE EMPEROR OF CHINA

F. O. London, *February 20, 1840.*

THE UNDERSIGNED, Her Britannick Majesty's Principal Secretary of State for Foreign Affairs, has the honour to inform the Minister of the Emperor of China, that Her Majesty The Queen of Great Britain has sent a Naval and Military Force to the Coast of China, to demand from the Emperor satisfaction and redress for injuries inflicted by Chinese Authorities upon British Subjects resident in China, and for insults offered by those same Authorities to the British Crown.

For more than a hundred years, commercial intercourse has existed between China and Great Britain; and during that long period of time, British Subjects have been allowed by the Chinese Government to reside within the territory of China for the purpose of carrying on trade therein. Hence it has happened that British Subjects, trusting in the good faith of the Chinese Government, have fixed themselves in Canton as Merchants, and have brought into that city from time to time property to a large amount; while other British Subjects who wished to trade with China, but who could not for various reasons go thither themselves, have sent commodities to Canton, placing those commodities in the care of some of their fellow Countrymen resident in China, with directions that such commodities should be sold in China, and that the produce of the sale thereof should be sent to the Owners in the British Dominions.

Thus there has always been within the territory of The Emperor of China a certain number of British Subjects, and a large amount of British Property; and though no Treaty has existed between the Sovereign of England and the Emperor of China, yet British Subjects have continued to resort to China for purposes of trade, placing full confidence in the justice and good faith of The Emperor.

Moreover, of late years the Sovereign of Great Britain has stationed at Canton an officer of the British Crown, no wise connected with trade, and specially forbidden to trade, but ordered to place himself in direct communication with the local Authorities at Canton in order to afford protection to British Subjects, and to be the organ of communication between the British and the Chinese Governments.

But the British Government has learnt with much regret, and with extreme surprise, that during the last year certain officers, acting under the Authority of The Emperor of China, have committed violent outrages against the British Residents at Canton, who were living peaceably in that City, trusting to the good faith of the Chinese Government; and that those same Chinese officers, forgetting the respect which was due to the British Superintendent in his



Character of Agent of the British Crown, have treated that Superintendent also with violence and indignity.

It seems that the course assigned for these proceedings was the contraband trade in Opium, carried on by some British Subjects.

It appears that the Laws of the Chinese Empire forbid the importation of Opium into China, and declare that all opium which may be brought into the Country is liable to confiscation.

The Queen of England desires that Her Subjects who may go into Foreign Countries should obey the Laws of those Countries; and Her Majesty does not wish to protect them from the just consequences of any offences which they may commit in foreign parts. But, on the other hand, Her Majesty cannot permit that Her Subjects residing abroad should be treated with violence, and be exposed to insult and injustice; and when wrong is done to them, Her Majesty will see that they obtain redress.

Now if a Government makes a Law which applies both to its own Subjects and to Foreigners, such Government ought to enforce that Law impartially or not at all. If it enforces that Law on Foreigners, it is bound to enforce it also upon its own Subjects; and it has no right to permit its own Subjects to violate the Law with impunity, and then to punish Foreigners for doing the very same thing.

Neither is it just that such a Law should for a great length of time be allowed to sleep as a dead letter, and that both Natives and Foreigners should be taught to consider it as of no effect, and that then suddenly, and without sufficient warning, it should be put in force with the utmost rigour and severity.

Now, although the Law of China declared that the importation of Opium should be forbidden, yet it is notorious that for many years past, that importation has been connived at and permitted by the Chinese Authorities at Canton; nay, more, that those Authorities, from the Governor downwards, have made an annual and considerable profit by taking money from Foreigners for the permission to import Opium; and of late the Chinese Authorities have gone so far in setting this Law at defiance, that Mandarin Boats were employed to bring opium to Canton from the Foreign Ships lying at Lintin.

Did the Imperial Government at Peking know these things?

If it did know these things, it virtually abolished its own Law, by permitting its own officers to act as if no such Law existed. If the Chinese Government says it did not know of these things, if it says that it knew indeed that the Law was violated by Foreigners who brought in opium, but did not know that the Law was violated by its own Officers who assisted in the importation, and received fixed sums of money for permitting it, then may Foreign Governments ask, how it happened that a Government so watchful as that of China should have one eye open to see the transgressions of Foreigners, but should have the other eye shut, and unable see the transgressions of its own officers.

If the Chinese Government had suddenly determined that the Law against the importation of Opium should be enforced, instead of remaining, as it long had been, a dead letter, that Government should

have begun by punishing its own Officers who were the greatest delinquents in this matter, because it was their special duty to execute the Law of their own Sovereign. But the course pursued by the Chinese Government has been the very reverse ; for they have left unpunished their own officers, who were most to blame, and they have used violence against Foreigners, who were led into transgression by the encouragement and protection afforded to them by the Governor of Canton and his inferior Officers.

Still, however, the British Government would not have complained, if the Government of China, after giving due notice of its altered intentions, had proceeded to execute the Law of the Empire, and had seized and confiscated all the opium which they could find within the Chinese territory, and which had been brought into that territory in violation of the Law. The Chinese Government had a right to do so, by means of its own officers, and within its own territory.

But for some reason or other known only to the Government of China, that Government did not think proper to do this. But it determined to seize peaceable British Merchants, instead of seizing the contraband opium ; to punish the innocent for the guilty and to make the sufferings of the former, the means of compulsion upon the latter ; and it also resolved to force the British Superintendent, who is an officer of the British Crown, to become an instrument in the hands of the Chinese Authorities for carrying into execution the Laws of China, with which he had nothing to do.

Against such proceedings the British Government protests, and for such proceedings the British Government demands satisfaction.

A large number of British Merchants who were living peaceably at Canton, were suddenly imprisoned in their houses, deprived of the assistance of their Chinese servants, and cut off from all supplies of food, and were threatened with death by starvation, unless other persons, in other places, and over whom these Merchants so imprisoned had no authority or controul, would surrender to the Chinese Government a quantity of Opium which the Chinese Authorities were unable themselves to discover or to take possession of, and a portion of which was at the time not within the territories and jurisdiction of China. Her Majesty's Superintendent, upon learning the violence which was done towards these British Merchants, and the danger to which their lives were exposed, repaired, though with some risk and difficulty, to Canton, in order to enquire into the matter, and to persuade the Chinese authorities to desist from these outrageous proceedings. But the Imperial Commissioner did not listen to Her Majesty's Officer ; and in violation of the Law of Nations, and in utter disregard of the respect which was due by him to an officer of the British Crown, he imprisoned the Superintendent as well as the Merchants, and, continuing to deprive them all of the means of subsistence, he threatened to put them all to death by starvation, unless the Superintendent would give to other persons, not in Canton, orders which he had no power or authority to give, for delivering to the Chinese Authorities a fixed quantity of Opium.

The Superintendent, in order to save the lives of his imprisoned fellow Countrymen, gave at last the orders required of him, and the parties to whom these orders were addressed, although by no means bound to obey them, and although a great part of the property demanded, did not belong to them, but was only held by them in trust for others, yet complied with these orders, wishing no doubt to rescue the British Merchants in Canton from death, and trusting that the Queen of Great Britain would at a future time cause them to be indemnified for their loss.

The British Government cannot condemn the steps which were taken by Her Majesty's Superintendent, under the pressure of an over-ruling and irresistible force, to rescue from the barbarous fate which awaited them, so many of Her Majesty's Subjects for whose special protection the Superintendent had been appointed, and the British Government highly applauds the readiness with which the persons to whom the orders were directed surrendered the Property demanded, and showed themselves willing to submit to the destruction of their Property, in order to prevent the destruction of the lives of so many of their fellow Countrymen. But the British Government demands full satisfaction from the Government of China for these things. In the first place it requires, that the Ransom which was exacted as the price for the lives of the Superintendent, and of the imprisoned British Merchants, shall be restored to the persons who paid it, and if, as the British Government is informed, the goods themselves, which were given up to the Chinese Authorities, have been so disposed of, that they cannot be restored to their owners, in the same state in which they were given up, then the British Government demands and requires that the value of those goods shall be paid back by the Government of China to the British Government, in order that it may be paid over to the Parties entitled to receive it.

In the next place, the British Government demands satisfaction from the Government of China for the affront offered to the Crown of Great Britain, by the indignities to which Her Majesty's Superintendent has been subjected; and the British Government requires that in future the officer employed by Her Majesty to watch over the commercial interests of Her Subjects in China, and to be the organ of communication with the Government of China, shall be treated, and shall be communicated with by that Government, and by its officers, in a manner consistent with the usages of civilized Nations, and with the respect due to the Dignity of the British Crown.

Thirdly.—The British Government demands security for the future, that British Subjects resorting to China for purposes of Trade, in conformity with the long-established understanding between the two Governments, shall not again be exposed to violence and injustice while engaged in their lawful pursuits of Commerce. For this purpose, and in order that British Merchants trading to China may not be subject to the arbitrary caprice either of the Government at Peking, or its local Authorities at the Sea-Ports of



the Empire, the British Government demands that one or more sufficiently large and properly situated Islands on the Coast of China, to be fixed upon by the British Plenipotentiaries, shall be permanently given up to the British Government as a place of residence and of commerce for British Subjects; where their persons may be safe from molestation, and where their Property may be secure.

Moreover, it appears that the Chinese Government has hitherto compelled the British Merchants resident at Canton to sell their goods to certain Hong Merchants, and to no other persons, and the Chinese Government, by thus restricting the dealings of the British Merchants, has become responsible for the Hong Merchants, to whom those dealings were confined. But some of those Hong Merchants have lately become insolvent, and the British Merchants have thus incurred great pecuniary losses, which they would have avoided, if they had been allowed to trade with whomsoever they chose. The British Government therefore demands that the Government of China shall make good to the British Creditors the Sums due to them by the insolvent Hong Merchants.

The British Government moreover has recently heard of further acts of violence committed by the Chinese Authorities against British Subjects; and it may happen that before this Note reaches the Chinese Minister, other things may have been done in China, which may render necessary further demands on the part of the British Government. If this should be, the British Plenipotentiaries are authorised to make such further demands; and the Undersigned requests the Chinese Minister to consider any additional demands so made, as being as fully authorised by the British Government as if they had been specified in this note.

Now as the distance is great which separates England from China, and as the matter in question is of urgent importance, the British Government cannot wait to know the answer which the Chinese Government may give to these demands, and thus postpone till that answer shall have been received in England, the measures which may be necessary in order to vindicate the honour and dignity of the British Crown, in the event of that answer not being satisfactory.

The British Government therefore has determined at once to send out a Naval and Military Force to the Coast of China to act in support of these demands, and in order to convince the Imperial Government that the British Government attaches the utmost importance to this matter, and that the affair is one which will not admit of delay.

And further, for the purpose of impressing still more strongly upon the Government of Peking the importance which the British Government attaches to this matter, and the urgent necessity which exists for an immediate as well as a satisfactory settlement thereof, the Commander of the Expedition has received orders that, immediately upon his arrival upon the Chinese Coast, he shall proceed to blockade the principal Chinese ports, that he shall intercept and detain and hold in deposit all Chinese Vessels which he may meet with, and that he shall take possession of some convenient part of the Chinese

territory, to be held and occupied by the British Forces until everything shall be concluded and executed to the satisfaction of the British Government.

These measures of hostility on the part of Great Britain against China are not only justified, but even rendered absolutely necessary, by the outrages which have been committed by the Chinese Authorities against British officers and Subjects, and these hostilities will not cease, until a satisfactory arrangement shall have been made by the Chinese Government.

The British Government in order to save time, and to afford to the Government of China every facility for coming to an early arrangement, have given to the Admiral and to the Superintendent, Full Powers and Instructions to treat upon these matters with the Imperial Government, and have ordered the said Admiral and Superintendent to go up to the Mouth of the Peiho River, in the Gulph of Pechelee, that they may be within a short distance of the Imperial Cabinet. But after the indignity which was offered to Her Majesty's Superintendent at Canton, in the course of last year, it is impossible for Her Majesty's Government to permit any of Her Majesty's Officers to place themselves in the power of the Chinese Authorities, until some formal Treaty shall have been duly signed, securing to British Subjects safety and respect in China; and therefore the Undersigned must request that the Chinese Government will have the goodness to send on board the Admiral's Ship the Plenipotentiaries whom the Emperor may appoint to treat upon these matters with the Plenipotentiaries of The Queen of England. Those Chinese Plenipotentiaries shall be received on board the Admiral's Ship, with every honour which is due to the Envoys of the Emperor, and shall be treated with all possible courtesy and respect.

The Undersigned has further to state, that the necessity for sending this Expedition to the Coast of China having been occasioned by the violent and unjustifiable acts of the Chinese Authorities, the British Government expects and demands, that the expenses incurred thereby shall be repaid to Great Britain by the Government of China.

The Undersigned has now stated and explained to the Chinese Minister, without reserve, the causes of complaint on the part of Great Britain; the reparation which Great Britain demands, and the nature of the measures which the British officer commanding the Expedition has been instructed in the first instance to take. The British Government fervently hopes that the wisdom and spirit of Justice for which The Emperor is famed in all parts of the World, will lead the Chinese Government to see the equity of the foregoing demands; and it is the sincere wish of Her Majesty's Government that a prompt and full compliance with those demands may lead to a speedy re-establishment of that friendly intercourse which has for so great a period of time subsisted between the British and Chinese Nations, to the manifest advantage of both.

The Undersigned, in conclusion, has the honour to state to the Minister of The Emperor of China that he has directed Her Majesty's Plenipotentiaries to forward to His Excellency the present Note, of

which he has transmitted to the Plenipotentiaries a copy, with instructions to cause a Translation of it to be made into the Chinese language, and to forward to the Chinese Minister the Translation at the same time with the original Note.

The Undersigned avails himself of this opportunity to offer to His Excellency the Minister of The Emperor of China the assurances of his most distinguished consideration.

PALMERSTON.

### APPENDIX III

#### EXTRACT FROM THE MEMORANDUM SUBMITTED BY THE CHINESE DELEGATION TO THE PEACE CONFERENCE AT PARIS, 1919

##### *(Conclusion)*

IN submitting the present memorandum to the Peace Conference, the Chinese Delegation are not unaware that the questions herein dealt with did not primarily arise out of this World War—a war which has brought sufferings to mankind to such a degree and extent as are unknown in history. They are, however, fully conscious of the purpose of the Peace Conference which seeks, in addition to concluding peace with the enemy, to establish a new world order upon the foundation of the principles of justice, equality, and respect for the sovereignty of nations. It finds an eloquent expression in the Covenant of the League of Nations. These questions demand readjustment by the Peace Conference because, if left unattended to, they contain germs of future conflicts capable of disturbing the world's peace again.

The Chinese Delegation, therefore, request that they be taken into consideration by the Peace Conference and be disposed of in the following ways :

1. *With reference to the Spheres of Influence or Interest*, that the various interested Powers will, each for itself, make a declaration that they do not have or claim any sphere of influence or interest in China and that they are prepared to undertake a revision of such treaties, agreements, notes or contracts previously concluded with her as have conferred, or may be construed to have conferred, on them, respectively, reserved territorial advantages or preferential rights or privileges to create spheres of influence or interest, which impair the sovereign rights of China.

2. *With reference to Foreign Troops and Police*, that all foreign troops and foreign police agencies now present on Chinese territory without legal justification be immediately withdrawn ; that Articles VII and IX of the Protocol of September 7, 1901 be declared cancelled ; and that the Legation guards and foreign troops stationed by virtue of these provisions be completely withdrawn within a period of one year from the date when a declaration to this effect is made by the Peace Conference.

3. *With reference to Foreign Post Offices and Agencies for Wireless*



and *Telegraphic Communications*, that all foreign post offices be withdrawn from China on or before January 1, 1921; that no foreign wireless or telegraphic installations be set up on Chinese territory without the express permission of the Chinese Government; and that all such installations as may have already been set up on Chinese territory shall be handed over forthwith to the Chinese Government upon due compensation being given.

4. *With reference to the Consular Jurisdiction*, that upon China's fulfilment of her undertaking by the end of 1924, firstly, to promulgate the Five Codes and, secondly, to establish new courts in all the districts which once formed the chief districts of the prefectural divisions, all the treaty Powers promise to relinquish their consular jurisdiction and the jurisdiction of their special courts, if any, in China; and that before the actual abolition of Consular Jurisdiction, the Powers agree:

(a) That every mixed case, civil or criminal, where the defendant or accused is a Chinese citizen, be tried and adjudicated by Chinese courts without the presence or interference of any consular officer or representative in the procedure or judgment.

(b) That the warrants issued or judgments delivered by Chinese courts may be executed within the Concessions or within the precincts of any building belonging to a foreigner, without preliminary examination by any consular or foreign judicial officer.

5. *With reference to the Leased Territories*, that they be restored to China upon her undertaking such obligations as the relinquishment of control may equitably entail on her as regards the protection of the rights of property-owners therein and the administration of the territories thus restored.

6. *With reference to Foreign Concessions and Settlements*, that the Powers concerned consent to have the Concessions or Settlements held by them be (*sic*) restored to China by the end of 1924. China also undertakes the obligations to safeguard the rights of the property-owners therein. Pending the final restoration certain modifications in the existing regulations of the foreign Concessions are desired.

7. *With reference to Tariff Autonomy*, that it be declared that at the end of a definite period to be fixed by mutual agreement, China is free to regulate, of her own accord, her customs tariff, and that during the said period China is free to negotiate with the various Powers tariff conventions which shall be reciprocal in treatment, shall differentiate luxuries from necessities, and shall have as the basis of the new conventional rate for necessities not less than 12½ per cent. Pending the conclusion of such conventions, the present tariff shall be superseded by the end of 1921 by the general tariff which is applied to the trade of non-treaty Powers. China, on her part, promises to abolish *likin* as soon as new conventions are concluded.

## APPENDIX IV

### THE TEN POINTS SUBMITTED BY THE CHINESE DELEGATION TO THE WASHINGTON CONFERENCE, 1921

IN conformity with the agenda of the conference, the Chinese Government proposes for the consideration of and adoption by the conference the following general principles to be applied in the determination of the questions relating to China :

1. (a) The Powers engage to respect and observe the territorial integrity and political and administrative independence of the Chinese Republic.

(b) China upon her part is prepared to give an undertaking not to alienate or lease any portion of her territory or littoral to any Power.

2. China, being in full accord with the principle of the so-called open door or equal opportunity for the commerce and industry of all nations having treaty relations with China, is prepared to accept and apply it in all parts of the Chinese Republic without exception.

3. With a view to strengthening mutual confidence and maintaining peace in the Pacific and the Far East, the Powers agree not to conclude between themselves any treaty or agreement directly affecting China or the general peace in these regions without previously notifying China and giving to her an opportunity to participate.

4. All special rights, privileges, immunities or commitments, whatever their character or contractual basis, claimed by any of the Powers in or relating to China are to be declared, and all such or future claims not so made known are to be deemed null and void. The rights, privileges, immunities and commitments, now known or to be declared are to be examined with a view to determining their scope and validity and, if valid, to harmonizing them with one another and with the principles declared by this conference.

5. Immediately, or as soon as circumstances will permit, existing limitations upon China's political, jurisdictional, and administrative freedom of action are to be removed.

6. Reasonable, definite terms of duration are to be attached to China's present commitments which are without time limits.

7. In the interpretation of instruments granting special rights or privileges, the well-established principle of construction that such grants shall be strictly construed in favour of the grantors, is to be observed.

8. China's rights as a neutral are to be fully respected in future wars to which she is not a party.

9. Provision is to be made for the peaceful settlement of international disputes in the Pacific and the Far East.

10. Provision is to be made for future conferences to be held from time to time for the discussion of international questions relative to the Pacific and the Far East, as a basis for the determination of common policies of the Signatory Powers in relation thereto.

## APPENDIX V

### BRITISH MEMORANDUM ON CHINA

*Text of Memorandum communicated by H.M. Chargé d'Affaires at Peking on December 18th, 1926, to the Representatives of the Washington Treaty Powers ; together with the text of a memorandum communicated to the United States Embassy in London on May 28th, 1926.*

FOR some time past His Majesty's Government have watched with growing anxiety the situation in China, and they believe that this anxiety will be shared by the Governments of the interested Powers. Five years ago the Powers assembled at Washington, and, taking into consideration the circumstances then existing in China, they agreed among themselves, in conjunction with the representatives of the Chinese Government, that their future policy should be guided by certain general principles designed to safeguard the integrity and independence of China, to promote her political and economic development and the rehabilitation of her finances. It was agreed to grant her certain increases on her treaty tariff in order to provide the revenue required for these purposes. It was further agreed that a commission should examine the question of extra-territoriality with a view to amending the system now in force by the elimination of abuses and accretions and by the removal of unnecessary limitations on China's sovereignty.

2. Unfortunately the Tariff Conference did not meet for four years, and during that period the situation had greatly deteriorated. During a succession of civil wars the authority of the Peking Government had diminished almost to vanishing point, while in the south a powerful Nationalist Government at Canton definitely disputed the right of the Government at Peking to speak on behalf of China or enter into binding engagements in her name. This process of disintegration, civil war, and waning central authority continued with increased acceleration after the Tariff Conference had met until eventually the Conference negotiations came to an end because there was no longer a Government with whom to negotiate.

3. The Commission on Extra-territoriality has meanwhile completed its labours and presented its report, but here, again, we are faced with a similar difficulty due to the disintegration of China. The recommendations contained in the report, while suggesting certain reforms capable of being carried into immediate effect, presuppose for their full execution the existence of a Government possessing authority to enter into engagements on behalf of the whole of China.

4. During all these civil wars it has been the consistent policy of His Majesty's Government to abstain from any interference between



the warring factions or rival Governments. Despite the disorders which civil war engenders and the grievous losses inflicted on the vast commercial interests, both Chinese and foreign, His Majesty's Government have declined to associate themselves with any particular faction or to interfere in any way in the civil commotions. His Majesty's Government believe that the Powers have adopted a similar attitude and that this is and will continue to be the only right attitude to maintain.

5. The situation which exists in China to-day is thus entirely different from that which faced the Powers at the time they framed the Washington treaties. In the present state of confusion, though some progress has been made by means of local negotiation and agreements with regional Governments, it has not been possible for the Powers to proceed with the larger programme of treaty revision which was foreshadowed at Washington or to arrive at a settlement of any of the outstanding questions relating to the position of foreigners in China. The political disintegration in China has, however, been accompanied by the growth of a powerful Nationalist movement, which aimed at gaining for China an equal place among the nations, and any failure to meet this movement with sympathy and understanding would respond to the real intentions of the Powers towards China.

6. His Majesty's Government, after carefully reviewing the position, desire to submit their considered opinion as to the course which the Washington Treaty Powers should now adopt. His Majesty's Government propose that these Governments shall issue a statement setting forth the essential facts of the situation; declaring their readiness to negotiate on treaty revision and all other outstanding questions as soon as the Chinese themselves have constituted a Government with authority to negotiate; and stating their intention pending the establishment of such a Government to pursue a constructive policy in harmony with the spirit of the Washington Conference but developed and adapted to meet the altered circumstances of the present time.

7. His Majesty's Government propose that in this joint declaration the Powers should make it clear that in their constructive policy they desire to go as far as possible towards meeting the legitimate aspirations of the Chinese nation. They should abandon the idea that the economic and political development of China can only be secured under foreign tutelage, and should declare their readiness to recognize her right to the enjoyment of tariff autonomy as soon as she herself has settled and promulgated a new national tariff. They should expressly disclaim any intention of forcing foreign control upon an unwilling China. While calling upon China to maintain that respect for the sanctity of treaties which is the primary obligation common to all civilized States, the Powers should yet recognize both the essential justice of the Chinese claim for treaty revision and the difficulty under present conditions of negotiating new treaties in place of the old, and they should therefore modify their traditional attitude of rigid insistence on the strict letter of treaty rights.

During this possibly very prolonged period of uncertainty the Powers can only, in the view of His Majesty's Government, adopt an expectant attitude and endeavour to shape developments so far as possible in conformity with the realities of the situation so that ultimately, when treaty revision becomes possible, it will be found that part at least of the revision has already been effected on satisfactory lines. It would therefore be wise to abandon the policy of ineffective protest over minor matters, reserving protest—which should then be made effective by united action—only for cases where vital interests are at stake. Every case should be considered on its merits and the declaration should show that the Powers are prepared to consider in a sympathetic spirit any reasonable proposals that the Chinese authorities, wherever situated, may make, even if contrary to strict interpretation of treaty rights, in return for fair and considerate treatment of foreign interests by them. The declaration should show that it is the policy of the Powers to endeavour to maintain harmonious relations with China without waiting for or insisting on the prior establishment of a strong Central Government.

8. It is the earnest hope of His Majesty's Government that the Powers will agree to adopt the principles of the policy outlined above and apply them to the realities of the present situation. Certain recommendations in the report of the Commission on Extra-territoriality referred to in paragraph 3 above and certain other reforms not covered by that commission's report but falling under the general heading of extra-territoriality can be carried into effect even in present conditions without great delay. There is, however, one step of more immediate importance which in the opinion of His Majesty's Government the Powers should agree to take at once. His Majesty's Government believe that an endeavour should be made to undo the evil results which have flowed from the failure of the Tariff Conference to implement the promises as to tariff increases made by the Powers to China nearly five years ago, and they propose, therefore, that the Powers should agree to the immediate unconditional grant of the Washington surtaxes.

9. By the China Customs Treaty signed at Washington on February 6, 1922, the Powers promised to grant China certain tariff increases (commonly known as the Washington surtaxes) 'for such purposes and subject to such conditions' as the special conference might determine. That special conference is the Tariff Conference which, after a delay of nearly four years, met in Peking on October 26, 1925, and has now to all intents and purposes definitely failed. The promised surtaxes have not been granted. The foreign delegations were not satisfied with the assurances which the Chinese delegation offered at the session of March 18 as to the purposes to which the Chinese Government would themselves devote the proceeds of the surtaxes. They were prepared to grant them only upon conditions which ensured that the proceeds would be placed under foreign control and applied—in great part—to the liquidation of the unsecured debt.

10. From the very outset His Majesty's Government were opposed

to the question of the unsecured debt being dealt with by the Tariff Conference at all, and they frankly expressed this view in a confidential memorandum communicated to the Consortium Powers early in 1923. They foresaw that it might defeat the intentions of the Washington Conference, which were to assist the economic and political development of China and to relax—not to tighten—foreign control. They held that, the object of the concessions proposed at the Washington Conference being to benefit China, the principal purposes to which the customs surtax should be devoted ought to be productive objects, such as railway construction, and social or economic reforms which would be a permanent benefit to China as a whole. The most promising of these reforms was in their opinion the abolition of *li-kin*, which, moreover, was expressly contemplated in the treaty itself.

11. It has been argued that debt consolidation would also be a permanent benefit to China because it would restore China's credit. This argument would doubtless be valid if there were a Government in effective control of the whole country, but in China to-day debt consolidation could only enable the faction which happened to be in power in Peking to resort to fresh ruinous and unproductive borrowing. His Majesty's Government were therefore opposed to making the consolidation of the unsecured debt one of the purposes to be attained by the Tariff Conference, although their own nationals were directly interested in the funding of some of these debts.

12. A further objection to the inclusion of the unsecured debt among the subjects to be dealt with at the Tariff Conference was brought into relief by the grant in principle of tariff autonomy. That raised at once in acute form the question of control over customs revenues. His Majesty's Government viewed with grave misgiving the proposal that foreign control should be extended over additional revenues which might be increased by tariff autonomy. In 1921 it was natural that the Powers should demand guarantees for the due fulfilment of the benevolent purposes which the Washington Conference aimed at achieving. But what might have been practicable in 1921 was no longer possible in 1926. It was obvious that China would not now submit to any extension of foreign control either for debt consolidation or for the abolition of *li-kin*, and it seemed to His Majesty's Government that for the Powers to unite in an attempt to impose control upon an unwilling China would be entirely opposed to the spirit of the Washington treaties, and to the policy which His Majesty's Government had consistently advocated. At the same time His Majesty's Government felt that it was essential that the Washington promises, so long overdue, should be implemented. Accordingly, on May 28 last, in reply to an inquiry from the United States Government as to the attitude of His Majesty's Government towards the Tariff Conference, they proposed in a memorandum, copy of which is annexed hereto, that the Powers should abstain from any attempt to exact guarantees or conditions, but should forthwith authorize the levy of the surtaxes.

13. Owing to the collapse of the conference no action on this pro-



posal was possible. The situation, however, suddenly developed in the very direction which was anticipated when the proposal was made. The Cantonese did, in fact, seize the Washington surtaxes by levying, in defiance of the treaties, certain additional taxes on the foreign trade of the port. His Majesty's Government have with much reluctance joined in the protest against the new taxes for the sake of maintaining solidarity with the Powers, but they are not satisfied that this is the right policy for the present situation. They regret that they did not more insistently press their views at an earlier stage of the conference, but they think that it is still not too late, despite the protest already made, to return to the alternative course proposed in the memorandum of May 28. His Majesty's Government therefore strongly urge that the Powers should now authorize the immediate levy of the Washington surtaxes unconditionally throughout China. They hope that this may provide a basis for regularizing the position at Canton.

14. The principal objection that will probably be made to this proposal is that in strict logic it would amount to condoning a breach of treaty. This argument, however, does not sufficiently take into account the realities of the situation. The basic facts of the present situation are that the treaties are now admittedly in many respects out of date, and that in any attempt to secure revision the Chinese are confronted on the one hand with the internal difficulty of their own disunion and on the other with the external difficulty of obtaining the unanimous concurrence of the Powers. The latest instance of this is the failure of the attempt to alter the tariff of 1858. His Majesty's Government attach the greatest importance to the sanctity of treaties, but they believe that this principle may best be maintained by a sympathetic adjustment of treaty rights to the equitable claims of the Chinese. Protests should be reserved for cases where there is an attempt at wholesale repudiation of treaty obligations or an attack upon the legitimate and vital interests of foreigners in China, and in these cases the protests should be made effective by the united action of the Powers.

15. His Majesty's Government have consistently carried out the obligation of full and frank consultation imposed on all the Powers alike by article 7 of the Nine-Power Pact, and it has been their constant aim—sometimes even when this involved a sacrifice of their own opinion—to maintain the solidarity of the Powers. It is in pursuance of this aim that His Majesty's Government are now communicating to the Powers this statement of the principles by which they believe that policy should be guided in future. They feel assured that the Powers will share the anxiety of His Majesty's Government to act towards China in the spirit which inspired the Washington treaties, and it is their earnest hope that the Powers will agree that that spirit cannot better be fulfilled than by adopting the policy which is now presented for their consideration.

16. It seems to His Majesty's Government that the first step towards the carrying of this new policy into effect should be the immediate unconditional grant of the Washington surtaxes. Lest it

be supposed that the grant of the surtaxes might favour one faction at the expense of the others and so provide a further incentive to civil war, His Majesty's Government deem it important to point out that, as no conditions would be attached to the grant, the proceeds of the surtaxes would not necessarily be remitted by the commissioners of customs to the custodian banks at Shanghai. It would in each case be for the competent Chinese authorities to decide all questions as to the disposition and banking of these additional revenues. His Majesty's Government would be glad to learn at the earliest possible moment whether the Powers agree to the unconditional grant of the Washington surtaxes.

#### ANNEX

*Memorandum communicated to the United States Embassy,  
May 28th, 1926.*

His Majesty's Government have received through the United States Embassy in London a message from the United States Government inquiring whether His Majesty's Government endorse the attitude ascribed to the British delegation at Peking of desiring to abandon the negotiations at Peking and break up the Tariff Conference; and expressing the hope that His Majesty's Government will continue to co-operate with the other interested Powers in bringing to a conclusion the task which was begun last October.

2. His Majesty's Government desire to assure the United States Government that the report received by them that the British delegation desire to withdraw from the negotiations at Peking appears to be based on a complete misunderstanding. His Majesty's Government have no intention whatever of breaking up the Tariff Conference. It is true that the question has been considered whether at the present juncture it might not be convenient to arrange a brief suspension of the conference over the summer months. It was realized, however, that in existing circumstances suspension of the conference might prove to be more prolonged than was intended, and in order to prevent the possibility of misunderstanding as to the sincerity of the Powers, His Majesty's Government considered it to be of the greatest importance that, before even such a brief suspension as above contemplated took place, there must first be a complete liquidation of the promises made at Washington.

3. The British delegation at Peking fully shared this view, and appreciated the prime necessity of liquidating the Washington Treaty. A considerable interchange of views has, however, taken place between the Foreign Office and the delegation in regard to the proceedings of the conference on the subject of the unsecured debt; and it is probable that the misunderstanding to which reference is made above has arisen in consequence of the attitude which the delegation has been instructed to take on this matter, and which was formally stated by the chief British delegate at the meeting at the Netherlands Legation on May 6.

4. The United States Government will no doubt recollect that His Majesty's Government were from the first averse to the imposition on the Chinese Government of any scheme of consolidation of the unsecured debt as part of the work of the Tariff Conference, and that they only agreed later and with great reluctance to the discussion of any such scheme at the conference. If the schemes of the foreign delegations for the consolidation of the unsecured debt should postulate too strict a control over China's customs revenues (shortly to be increased by tariff autonomy) His Majesty's Government are afraid that a dangerous deadlock may arise, for the discussions on this subject show that the Chinese, though willing to bind themselves to devote a proportion of their revenues to the unsecured debt, have declined to allow the details of debt consolidation to be dealt with by the Tariff Conference, and will refuse to submit to any extension of foreign control—for that or any other purpose—over China's customs revenues.

5. His Majesty's Government, after full consideration and prolonged consultation with their delegation in Peking, have come to the conclusion that, while they are ready to agree to any reasonable scheme for dealing with the unsecured debt put forward by the Chinese and agreed to by the other Powers, it would not be right to associate themselves with any attempt to force upon the Chinese a greater degree of foreign control over the revenues required for that purpose than they are prepared voluntarily to concede. A policy involving increase of foreign control, and capable of being regarded as an encroachment on that sovereignty and independence of China which the Powers agreed at Washington to respect, is so fundamentally opposed to the traditional policy of the United States towards China that His Majesty's Government are disposed to believe that the State Department will share their anxiety on this subject.

6. It is true that His Majesty's Government originally desired to exact proper guarantees from China in regard to the abolition of *li-kin* as a condition precedent to the grant of the Washington surtaxes, but they have come to the conclusion that, in the altered circumstances and changed atmosphere of to-day, any attempt to insist upon guarantees against the will of the Chinese Government would only result in postponing indefinitely the liquidation of the Washington promises. They are as anxious as the United States Government fully to implement these promises at the earliest possible moment, and believe that it would be contrary to the intentions of both Governments, both at and subsequent to the Washington Conference, to subordinate the fulfilment of these promises to the imposition upon China of a scheme for the consolidation of her unsecured debt and extension of foreign control over her customs revenues. Any failure to implement the Washington Treaty might create a very dangerous situation, and His Majesty's Government now therefore hold the view that if any reasonable satisfactory assurances are given by the Chinese Government as to the use which it proposes to make of the new revenues the Powers should accept such assurances,



abstain from any attempt to impose control or exact guarantees, and forthwith authorize the levy of the surtaxes. They feel confident that a policy, so closely in accord with the friendship and generosity always displayed by the United States of America towards the people of China, will receive the full and cordial support of the United States Government.

## APPENDIX VI

### EXTRACT FROM THE SPEECH MADE BY SIR AUSTEN CHAMBERLAIN AT BIRMINGHAM ON JANUARY 29TH, 1927<sup>1</sup>

YOU will expect me on this occasion to say something more than has as yet been said about the policy of his Majesty's Government in respect to Chinese affairs. I say . . . of the policy of the Government that they have but one policy and there are no divisions among us on the subject.

Over a year ago, in a speech preceding the departure of our delegation to the Tariff Conference at Peking, I outlined the policy of the British Government towards China in these words :

' Our only wish is for a strong, united, independent, orderly and prosperous China. We, on our side, will contribute all we can ; we are ready to meet China half-way. We are ready to relinquish special rights just in proportion as the Chinese Government can assure to our nationals the due enjoyment of the ordinary rights of foreigners in their country.'

This has been and it is the policy of his Majesty's Government. To talk about British Imperialism in this connexion is sheer nonsense. In the Far East, above all, we are a nation of shopkeepers. All we want is to keep our shops open and be on good terms with our countrymen. We realize, no less than the most patriotic Chinese Nationalists, that old treaties are out of date, and we desire to put our relations with China on a basis suitable to the times in which we live. We have long felt that there must be a change, and we hope that it will be possible to negotiate the arrangements for this change with a China which is under one central Government.

There is no such Government in China to-day. But the demand for treaty revision is becoming—or has become—so insistent, and is fundamentally so reasonable, that, in spite of all the difficulties involved by the prevailing dissensions among the Chinese, we must try to negotiate this change with the contending Governments, even in the midst of civil war. That this was our intention was made perfectly clear in the Memorandum of British policy which was published on December 26. It is difficult, in such circumstances, to pursue the policy, but we shall persevere in the attempt because we feel that it is the right, and the only right, thing to do.

<sup>1</sup> Reprinted from *The Times* of January 31st, 1927.

The principal matters which the Chinese desire to see changed in the old treaty are, first, the extra-territorial position of all foreigners in China, by which they can only be tried in their own Courts and by their own laws. Secondly, the tariff provisions, which prevent China from raising duties on foreign goods; and, thirdly, the quasi-independent status of the foreign Concessions. His Majesty's Government are prepared for change in all these points, for the present system is antiquated. It is unsuited to the conditions of to-day, and it no longer provides the necessary security or protection for the peaceful avocations of our merchants.

Two days ago a proposal was laid by our representatives before the Chinese authorities, both in the North and South, by which his Majesty's Government express their readiness to recognise the modern Chinese Law Courts, without the attendance of a British official, as competent Courts for cases brought by British plaintiffs or complainants. His Majesty's Government also stated their readiness to apply, in British Courts in China, the existing modern Chinese civil and commercial codes and duly enacted subordinate legislation. We are prepared to go farther than this as soon as all the Chinese codes and judicial administrations are ready.

As regards taxation, we are prepared to make British subjects liable to pay regular Chinese taxation, provided that it does not involve discrimination against British subjects or British goods. This would include taxation levied under a national tariff, as and when such tariff law is promulgated. So far as we alone can effect such an object, that would remove the last obstacle to full tariff autonomy. As regards the Concessions, his Majesty's Government are prepared to enter into local arrangements, according to the particular circumstances of each port, either for the amalgamation of the administration with that of adjacent areas under Chinese control, or for some other method of handing over the administration to the Chinese while assuring to the British communities some voice in municipal matters.

I have reminded you that in 1925 I said that we would meet China half-way. You will see, from what I have said, that we are going more than half-way, but I am certain that this is a right and wise course. We do not disguise from ourselves the inconveniences and the difficulties of the moment, but we are thinking of our relations with China for the next 100 years. These proposals can be put into force by the action of his Majesty's Government. For the moment, there can be no new treaty, for a treaty can only be signed and ratified with a recognised Government and, owing to the conditions produced by civil war, we cannot recognise any Government in China as a Government of the whole country.

Continuing, Sir Austen said that there had been a good deal of loose and uninstructed talk about the recognition of the Canton Government. Recognition implied acceptance of the Government recognised as a Government of the whole country. The British Government could not recognise the Government of Canton as a Government of a part of China only, for that would be to set the seal

of British authority on the division of China. Equally, we could not recognise the Government of Canton as the Government of all China, for that was not in accordance with the facts. The Government of Canton controlled barely one-third of China, either as regarded population or area.

There are people in this country, he proceeded, who say that we ought to abandon our policy of strict neutrality. It is characteristic of our people in all classes and at all times to feel sympathy with the growth of liberal ideas in foreign countries. But this natural sympathy is not, in itself, a justification for active interference in the domestic concerns of other lands. The Chinese themselves, and, they alone, can and must settle what government they shall have. Recognition by foreign Governments must conform to the realities of the situation.

There is a further difficulty with which we are confronted at the present time in dealing with the claims of the Nationalist Party, in the fact that they have deliberately and persistently used an anti-British war cry in order to rally their adherents round the simple and easily comprehensible banner inscribed 'Down with the British'. You may ask why has this country been singled out for this attack. During the past century we have been pioneers in China. It was our efforts which opened China to foreign trade as a result of what is called the 'Opium War'. It is about as accurate and no more to describe the issues of that war, by the title of the 'Opium War' as to describe the war of American Independence as the 'Tea War'.

We were the principal architects of that treaty system under which it was possible for the merchants belonging to one civilisation to trade with another civilisation profoundly different from that of the West. We have been regarded as the principal upholders of this system during recent years, when it was becoming obvious to all men that the system itself was growing antiquated, and alien influences have not hesitated to preach to the Chinese that we are more responsible than their own dissensions or any other nations for all the ills from which the Chinese suffer.

This anti-British cry was taken up by the powerful Nationalist Party, which has its ramifications throughout China and through all Chinese communities abroad. It is undoubtedly a most dangerous factor in our relations with China at this moment. The cry has been used to arouse the fury of mobs against us, and it remains to be seen whether the Government which now claims to represent the Chinese Nationalist Party is willing and able to control this mob element in so far as its activities affect our relations with the Chinese people.

The events of 1925 provided the anti-British propagandists with just the kind of material they required. At Shanghai there is a great international settlement governed by an elected municipality, which was at that time presided over by an American citizen. This municipality has its own police force. In consequence of the outbreak of mob violence, the police were forced to fire on the crowd. The British Government had, and to-day have, no control over that police; but the fact that the police were commanded by British



officers was seized upon by the propagandists to represent the incident as an act of British aggression. In the same way, when an armed procession of Chinese, or armed men mingling in a procession of Chinese, opened fire on the Anglo-French Concession at Canton and the troops in the Concession were obliged to fire in self-defence, the fact that a part, though only a part, of the force were British was seized upon as material for further anti-British propaganda.

The extremely friendly and considerate attitude of the British Government towards China, as shown at the Washington Conference and on many other occasions, was brushed aside. A boycott of British goods was put into force throughout China and, long after the boycott had ceased in the North, it was continued at Canton, which was the centre of the influence of the Nationalist Party, claiming to represent Chinese nationalism.

The Nationalist Government at Canton has now extended its authority to Central China, and with it has spread the current of anti-British agitation. This agitation broke out in an extreme form at Hankow on January 3. Inflammatory speeches were made by a member of the Nationalist Government, by Borodin, their chief Russian adviser, and by others, and, as a consequence, a large and threatening mob attempted to break into the British Concession. For a whole long afternoon they were kept at bay by a handful of British marines, whose admirable discipline and self-control under the most trying circumstances merit all the praise that we can bestow. They were pelted with bricks and they had justification for firing in self-defence. But they did not fire. Some of them were knocked down and injured and, in the course of bayonet charges necessary to rescue them, two Chinese were injured. The statement that Chinese were killed is not true.

It was clear, however, that the mob could not be held back indefinitely, except by opening fire on them, and there can be no doubt that such action would have led to an attack in force on the British Concession and to a massacre of British subjects, many of whom were outside the Concession and living in Chinese territory. On January 4 and January 5 the rioting continued. The Nationalist troops undertook to keep order, but they, too, were unable to preserve order without firing on the mobs, and this they would not do. It was in these conditions that, by an act of singular self-restraint and great moral courage, sooner than provoke a bloody conflict, the British authorities upon the spot evacuated the Concession and left the Chinese in possession. There can be no doubt that this mob violence was designed to provoke the British forces to fire on unarmed Chinese and to lead to an incident such as would have aroused all China and have further fed the flames of anti-British feeling.

The propaganda train was all prepared, already laid, and even a respectable body like the professors of Peking University have lent their name to the calumny that Chinese were killed during those riots by British marines. That is not true. Every one in Hankow knows it is not true. The Nationalist Government itself knows that it is not true, and in its latest declaration has tacitly admitted that

not a single Chinese was killed. The seizure of the British Concession was an outrageous and unjustifiable attack on the long-established rights of a peaceful British community. It was followed by a similar outrage at Kiukiang. It was clear that there was no guarantee for the safety of British lives in Chinese cities under the authority of the Nationalist Government in the present revolutionary state of affairs. Another incident might lead to bloodshed, and it was equally clear that the British forces on the spot were insufficient to afford protection to British subjects.

It was obvious that, with the advance of the Nationalist forces on Shanghai, similar danger might threaten the large British community residing there, and the immense interests which British enterprise has built up in that city. Further, whereas the comparatively small British communities at Hankow and Kiukiang could be evacuated in an emergency to Shanghai, there could be no such speedy evacuation of the far larger British population in that city. I do not say—I am far from saying or wishing you to think—that the threat of bloodshed and massacre hangs over Shanghai. I hope and believe that it does not. But it would be a clear dereliction of duty on the part of his Majesty's Government, to whatever Party they might belong, after what has passed at Hankow, to leave the British at Shanghai without effective protection.

We must have a force there sufficient to protect them if danger arises, and if such armed force is sent at all it must be equal to the calls that might be made upon it. His Majesty's Government, therefore, decided, as a precautionary measure, to send troops to China for the protection of the British community at Shanghai. The composition of the force is itself a guarantee that it is only intended for strictly defensive purposes. I hope that no occasion will arise for its use. There is no intention on our part to hold Shanghai if we can obtain satisfactory assurances that what has happened at Hankow will not be repeated there. The military movements, therefore, which fill our papers, and supply them with pictures for their picture page are all a precaution, a necessary precaution, and nothing but a precaution.

His Majesty's Government will not be deflected from their policy of patient conciliation, nor will their efforts to reach satisfactory agreements with the Chinese authorities in any degree slacken or cease. On the contrary I heartily welcome and I reciprocate the desire expressed in his recent declaration by the Nationalist Minister for Foreign Affairs for a settlement of treaty and other cognate questions on the basis of economic equality and mutual respect for each other's political and territorial sovereignty.

## APPENDIX VII

TEXT OF THE COMMUNICATION MADE BY THE BRITISH GOVERNMENT TO THE LEAGUE OF NATIONS WITH REGARD TO CHINA, TOGETHER WITH THE BRITISH PROPOSALS FOR TREATY MODIFICATION LAID BEFORE THE CHINESE AUTHORITIES IN THE NORTH AND THE SOUTH ON JANUARY 27<sup>TH</sup>, 1927.

*Sir Austen Chamberlain to Sir E. Drummond (League of Nations).*

*Foreign Office, February 8, 1927.*

Sir

I venture to send you for the information of members of the League of Nations the following statement of British policy in China :—

Since 1922 British policy in China has been based on the letter and spirit of the agreements then reached at the Washington Conference. The principal Treaty Powers there agreed among themselves, in conjunction with the representatives of the Chinese Government, that their future policy should be guided by certain general principles designed to safeguard the integrity and independence of China, to promote her political and economic development and the rehabilitation of her finances. It was agreed that she should obtain certain increases on her treaty tariff in order to provide the revenue required for these purposes. It was further agreed that a commission should examine the question of extra-territoriality with a view to amending the system now in force by the elimination of abuses and accretions and by the removal of limitations on China's sovereignty, no longer necessary.

2. Such is the Washington Conference policy of His Majesty's Government and of the other Washington Treaty Powers, as defined in the statement communicated by the British Chargé d'Affaires to the representatives of the Powers at Peking on the 18th December and published on the 26th December, 1926. As regards general principles, His Majesty's Government still adhere to this policy; but its complete success depended on co-operation between the Powers concerned and a single Central Government in China. Unfortunately, since 1922, China has become more disunited than ever. For instance, the Canton Government was in 1922 confined to the city of Canton. Even then it was in revolt against the Central Government at Peking, and did not consider itself bound by the undertakings entered into by the Central Government's representatives at Washington. That Canton Nationalist Government has now increased its authority over the greater part of the country south of the Yang-tsze River, and claims to be recognised as the only



Government of all China. This fact has modified the hypothesis upon which the Washington policy was based.

3. Further, the extremists of the Canton Nationalist party have singled out the British people for an implacable campaign of calumny and boycott. Indeed, enmity against Britain has been deliberately and persistently cultivated by this section and their advisers in order to promote the solidarity of the Nationalist party and stimulate its aggressive spirit.

4. The events of 1925 provided the anti-British propagandists with the kind of material most useful for them. The Shanghai International Settlement is governed by an elective Municipality which was at that time presided over by an American chairman. This municipality has its own police force. In consequence of an outbreak of mob violence the police opened fire. His Majesty's Government have no control over these police, but the fact that they had British officers was seized upon by the propagandists to represent the incident as an act of British aggression. Similarly, when an armed procession of Chinese fired on the Anglo-French concession at Canton and the troops in the concession were obliged to fire in self-defence, the fact that a part, though only a part, of those troops were British, was again seized upon as material for anti-British propaganda. The extremely friendly and considerate attitude of His Majesty's Government towards China, as shown at the Washington Conference and on many other occasions, was contemptuously brushed aside. A boycott of British goods was put into force throughout China, and long after the boycott had ceased in the north, it was continued at Canton.

5. The Nationalist Government at Canton have now extended their authority to Central China, and with it has spread the current of anti-British agitation fomented by the extremists. At Hankow, on the 3rd January, a large and threatening mob attempted to break into the British concession. For a whole afternoon it was kept at bay by a handful of British marines, whose admirable discipline and self-control under the most trying circumstances was beyond all praise. The marines were pelted with bricks and stones. They had every justification for firing in self-defence, but they did not fire. Some of them were knocked down and injured, and, in the course of bayonet charges to rescue them, two Chinese were injured. The statement that Chinese were killed is not true. It was clear, however, that the mob could not be held back indefinitely except by firing, and there could be no doubt that such action besides the immediate loss of life involved would lead to an attack by force on the British concession and to a massacre of British subjects. On the 4th and 5th January the rioting continued. The Nationalist troops undertook to keep order. But without firing on the rioters this was impossible, and no firing was permitted by the Nationalist Government. In the result, the concession was occupied by the mob, the British troops withdrew, and then the Nationalist Government took the concession over. It has not been returned.

6. The seizure of the British concession was an unjustifiable

attack on the long-established rights of the British commercial community. It was followed by a similar event at Kiukiang. It was clear from these episodes that there is no guarantee for the safety of British lives or property in Chinese cities under the authority of the Nationalist Government in the present revolutionary state of affairs. Any incident might have led to bloodshed. It was equally clear that the British forces on the spot were insufficient to protect British subjects. It was obvious that, with the advance of the Nationalist forces towards Shanghai, similar danger threatened the large British community residing there, and the immense interests which British enterprise has built up in that city. Further, whereas the comparatively small communities at Hankow and Kiukiang could be safely evacuated to Shanghai at short notice, there could be no speedy evacuation of the much larger British population at the latter town. In these circumstances, His Majesty's Government decided, as a precautionary measure, to send such troops to China as they were advised were required for the protection of the British community at Shanghai. The composition of this force is in itself a guarantee that it can only be utilised for the defensive purposes for which it is exclusively intended. It is hoped that it will soon be withdrawn, or better still that it may never have to land in China; but His Majesty's Government are determined that what has happened at Hankow and Kiukiang shall not be repeated at Shanghai, and that the lives of the British community there shall be protected against all danger.

7. The determination to defend the lives of British subjects is, however, only one side of the China policy of His Majesty's Government. In their statement of the 18th December, they declared their readiness to negotiate on Treaty Revision and all other outstanding questions as soon as the Chinese themselves had constituted a Government with authority to negotiate; and pending the establishment of such a Government to pursue a constructive policy so that ultimately, when Treaty Revision became possible, it would be found that part at least of the revision had already been effected on satisfactory lines. His Majesty's Government, therefore, at once proceeded to investigate what measures they could take by unilateral action without revision of treaties to meet the aspirations of the Chinese people. These measures have now been formulated, and were laid before the Chinese authorities in the North and the South on the 27th January in a statement, copy of which is annexed hereto. They imply an immediate and radical modification of the old Treaty position, so far as His Majesty's Government are concerned, and are an earnest of further modifications as soon as conditions permit. But before this can be successfully attempted it is essential that the official stimulation of anti-British propaganda must cease. The comparative peace of the greater part of Southern China during the last two or three months has proved that, when organised agitation and intimidation are absent, friendly relations between the Chinese and British people remain as excellent as they have been in the past.

8. The policy of His Majesty's Government is therefore a de-

velopment, not a departure from the Washington Conference policy, as defined in the first paragraph of this statement. In accordance with Article 7 of the Washington China Treaty, they have communicated fully and frankly to the Governments of the other Washington Powers their views regarding the situation, both as concerns the defence of life at Shanghai and the proposed steps towards Treaty revision. It is for them to determine to what extent they feel able to associate themselves with the policy of His Majesty's Government in both its aspects.

In any case His Majesty's Government have felt it right to make this communication to the League of Nations so that its members may have before them a full statement of His Majesty's Government's policy in China and may understand how completely it is in accord with both the letter and the spirit of the Covenant. His Majesty's Government deeply regret that there does not appear to be any way in which the assistance of the League in the settlement of the difficulties in China can be sought at present. But, if any opportunity should arise of invoking the good offices of the League, His Majesty's Government will gladly avail themselves of it.

I am, &c.

AUSTEN CHAMBERLAIN.

#### ANNEX

*Measures for Treaty Modification as communicated to the Chinese Authorities on January 27th, 1927.*

1. His Majesty's Government are prepared to recognise the modern Chinese law courts as the competent courts for cases brought by British plaintiffs or complainants and to waive the right of attendance of a British representative at the hearing of such cases.

2. His Majesty's Government are prepared to recognise the validity of a reasonable Chinese nationality law.

3. His Majesty's Government are prepared to apply as far as practicable in British courts in China the modern Chinese Civil and Commercial Codes (apart from Procedure Codes and those affecting personal status) and duly enacted subordinate legislation as and when such laws and regulations are promulgated and enforced in Chinese courts and on Chinese citizens throughout China.

4. His Majesty's Government are prepared to make British subjects in China liable to pay such regular and legal Chinese taxation, not involving discrimination against British subjects or British goods, as is in fact imposed on and paid by Chinese citizens throughout China.

5. His Majesty's Government are prepared as soon as the revised Chinese Penal Code is promulgated and applied in Chinese courts to consider its application in British courts in China.

6. His Majesty's Government are prepared to discuss and enter into arrangements, according to the particular circumstances at each port concerned, for the modification of the municipal administrations of British concessions so as to bring them into line with the



administrations of the special Chinese administrations set up in former concessions at *Hankow* or for their amalgamation with *neighbouring concessions* or former concessions now under Chinese control or for the transfer of police control of the concession areas to the Chinese authorities.

7. His Majesty's Government are prepared to accept the principle that British missionaries should no longer claim the right to purchase land in the interior, that Chinese converts should look to Chinese law and not to treaties for protection, and that missionary, educational and medical institutions will conform to Chinese laws and regulations applying to similar Chinese institutions.

*Note 1.*

When communicating these proposals to Mr. Chen at Hankow on the 27th January Mr. O'Malley prefaced them with the following paragraph :—

'When a satisfactory settlement has been reached in respect to the British concessions at Hankow and Kiukiang, and when assurances have been given by the Nationalist Government that they will not countenance any alteration except by negotiation of the status of the British concessions and international settlements, His Majesty's Government will be prepared to concede at once and on the lines indicated in the enclosure hereto a part of what is desired of them by the Chinese Nationalist party. So liberal and generous a step cannot in their view be regarded otherwise than as an earnest of the fair and conciliatory spirit with which they are animated.'

*Note 2.*

The words in italics in paragraph 6 were omitted from Mr. Lampson's communication to Dr. Koo.

## APPENDIX VIII

AGREEMENT SIGNED AT HANKOW BY MR. O. ST. C. O'MALLEY, ON BEHALF OF THE BRITISH GOVERNMENT, AND MR. EUGENE CHEN ON FEBRUARY 19TH, 1927

*Regulations of the Municipal Bureau of the Special Administrative District No. 3 of Hankow.*

### CHAPTER I.—General.

ART. 1. The territorial limits of the Special Administrative District No. 3 of Hankow within which these regulations are binding are the same as those of the area heretofore known as the British concession, including the foreshore down to the river at low water.

ART. 2. The Special Administrative District No. 3 of Hankow shall be under the control and management of a Municipal Bureau (Chapter II) in accordance with these regulations.

ART. 3. Certificates of title to land within the district or certificates of permanent lease shall be issued by the bureau upon the application

of the parties concerned or their duly authorised agents within sixty days after execution.

Charges by way of mortgage shall, within one month of execution, be registered at the bureau upon application of the parties concerned or their agents.

ART. 4. Extra-territorialised foreigners before leasing land and/or buildings within the district shall obtain from their respective consul or consul-general for presentation to the satisfaction of the bureau a written guaranty wherein the said consul or consul-general guarantees to enforce against the person about to lease the land or buildings in question all the regulations and bye-laws of the district for the time being in force.

ART. 5. Individual property and other rights partaking of the nature thereof being recognised, there shall be no interference with current bund frontage licences, and such licences shall continue to be issued by the Municipal Administration on existing lines with an option of renewal upon expiration to the holders; and future bund frontage facilities shall be offered in the first instance to British and Chinese firms.

#### CHAPTER II.—*The Municipal Bureau.*

ART. 6. The bureau shall have a director who shall be selected and appointed by the Minister for Foreign Affairs. His appointment shall be confirmed by the Nationalist Government. The director shall be the chief executive officer of the district and the *ex officio* chairman of the council, as provided for in article 7 hereof.

ART. 7. The bureau shall have a council of seven members, including the director of the bureau, who shall be the *ex officio* chairman of the council. The remaining six members shall consist of three Chinese and three British, who shall be elected at the annual general meeting (*vide* article 30 hereof) from amongst those voters of the district who are qualified for election.

No one shall be qualified to be a member of the council who is not entitled under article 38 hereof to at least two votes. The Chinese and British members of the council for the year 1927 will be nominated by the Chinese and British authorities respectively, and thereafter elected in accordance with these regulations. If any vacancies occur during the year 1927 owing to any member's inability to serve, illness, or death, the Chinese and British authorities respectively shall have power to fill such vacancies by nomination as in the case of original members. Thereafter vacancies will be filled in accordance with these regulations.

ART. 8. The bureau shall have an executive secretary, who shall, subject to the direction and supervision of the director, direct and supervise the work of all officials and employees of the bureau.

ART. 9. The bureau shall have an assistant executive secretary, who shall assist the executive secretary in conducting all affairs of the bureau.

ART. 10. The bureau may appoint and employ such other officials

and employees as are required to attend to the various kinds of work of the bureau. These officers and employees shall be under the control of the director and subject to the direction and supervision of the executive secretary.

ART. 11. The bureau shall have a chief of police, who shall be under the control of the director and in consultation with the executive secretary have charge of and attend to the police affairs of the district.

ART. 12. The executive secretary of the bureau shall be appointed by the Minister for Foreign Affairs upon nomination of the director and with the approval of the council as recorded by a majority vote. His appointment shall be confirmed by the Nationalist Government upon the petition of the Ministry for Foreign Affairs.

The assistant executive secretary and the chief of police shall be appointed by the written order of the director of the bureau. These appointments shall also be subject to the approval of the council by a majority vote.

All other appointments shall be at the discretion of the director provided that the total personnel shall be commensurate with the actual requirements of the bureau, with a view to avoiding over or understaffing. The total sum expended by way of remuneration of the staff shall in no case exceed that provided for this purpose in the budget as adopted by the annual general meeting.

No officer or employee of the bureau, irrespective of rank, shall be dismissed or transferred, nor shall his honorarium, salary or wage be reduced without adequate cause.

All staff appointments of the bureau shall be reported by the director to the Ministry for Foreign Affairs for record.

ART. 13. The bureau shall collect all taxes, dues, rates, fees and the like in accordance with the bye-laws and such other tariffs as are now in force and/or may be made operative by the annual general meeting.

Immovable property in the district will be subjected to no other taxation (apart from Chinese Government land tax) than that authorised under these regulations.

ART. 14. At the end of each year a list, showing the assessed value of every lot of land and of every building owned by ratepayers in the district shall be drawn up by the bureau, and the owner of such land and buildings shall be notified of the said assessed value on or before the 14th day of December in every year. Any such owner may, within one month of receiving such notification, protest against such an assessed value before the director of the bureau, who shall take all necessary steps to settle the matter definitely.

ART. 15. The bureau shall take all necessary steps to recover arrears of taxes and dues of whatever nature levied under these regulations, and all fines and penalties imposed thereunder, and its action in these matters shall be final.

In suing extra-territorialised foreigners for default in payment, the bureau shall apply to the consular or other courts under whose jurisdiction such defaulters may be.



ART. 16. The bureau shall control the finance of the district. All receipts shall be deposited in a bank or banks to be designated by the council, and all expenditures shall be limited to the use of the district. Payments shall all be made by cheques made out by the secretary, which shall be signed by the director and countersigned by two councillors, one of whom shall be British.

The bureau shall take over the financial obligations of the British municipality duly contracted under ratepayers' authority.

The balance sheets showing all receipts and expenditures of the preceding fiscal year having been first duly audited by joint Chinese and British auditors, and the budget for the current year, shall be presented at the annual general meeting of the ratepayers for confirmation and approval.

### CHAPTER III.—*The Council.*

ART. 17. The council assumes office immediately after the annual general meeting and remains in office until the next annual general meeting.

ART. 18. During the second half of the month of February in every year every two electors registered under article 42 may nominate one or more persons, but not exceeding three Chinese and three British, for election as members of the council from persons entitled to vote at the annual general meeting. All such nominations shall be sent in writing to the bureau with the signature of the proposer, seconder, and also the written assent to serve if elected of each candidate proposed. The names of all persons proposed shall on the 1st day of March be exhibited in the entrance to the bureau building and kept there exhibited until the nominations shall be read out to the meeting. If the number of proposed candidates is exactly three Chinese and three British, the election of these six persons shall be confirmed without ballot. If the number of proposed candidates exceeds six, the meeting shall by ballot elect six of them, of whom three shall be Chinese citizens and three shall be British. In the event of less than three Chinese or less than three British being nominated or the combined nominations being less than six, the outgoing council shall remain in office for the following year.

ART. 19. The members of the council are elected for one year and shall enter office after the annual general meeting. In case of vacancies occurring during the municipal year, owing to any member's refusal or inability to serve, illness or death, the director shall have the power to fill up such vacancies by appointment from among persons registered at the last annual general meeting and present in Hankow. If such vacancies exceed three in number, or such appointee or appointees are not acceptable to the majority of the remaining members of the council or by any group of persons representing altogether not less than one-third of the voters registered at the last meeting and present in Hankow, a special meeting may be convened under article 28 of the regulations to elect a member or members to fill up such vacancy or vacancies.

The names of the members of the council, when elected, shall be reported by the director of the bureau to the Ministry for Foreign Affairs for record.

ART. 20. The director of the bureau shall, in the capacity of chairman, preside at all meetings of the council. In the case of the temporary absence of the chairman from a meeting, a representative shall be duly appointed by him to preside.

ART. 21. Meetings of the council are called by notifications of the secretary under instructions of the chairman stating all questions to be discussed. Meetings shall also be called by request of two members of the council.

ART. 22. Meetings of the council are valid if at least five persons, including the chairman, are present; resolutions are passed by majority of votes, and, in case of an equal division of votes, the chairman shall have a casting vote.

ART. 23. The council shall have authority to discuss and decide all questions connected with the management and administration of the district.

Resolutions passed by the council shall be carried out by the director. Should the director consider that any such resolution constitutes an infringement of Chinese sovereign rights, a violation of Chinese customs, which are or are liable to be so recognized by a Chinese court of justice, or a transgression of the regulations, he may suspend its execution, but in such a case he shall report immediately to the Minister for Foreign Affairs of the Nationalist Government, who shall decide whether it shall take effect or be cancelled, and this decision shall be final. The council's views shall be heard and considered before such decision is given.

ART. 24. The members of the council shall designate among themselves the responsibility for a definite branch of the municipal affairs of the bureau, such as finance, police, public works, public health, public utilities and water supply, so that each of them may be in a better position to supervise work and to devise ways and means for the improvement of the particular branch for which each of them is responsible.

In the performance of the duties incident to their respective branch of work, members of the council may suggest committees or sub-committees to be appointed by the director.

ART. 25. Members of the council acting in conformity with these rules and regulations bear no personal responsibility for their actions.

#### CHAPTER IV.—*Annual General and Extraordinary Meetings.*

ART. 26. An annual general meeting shall be called by the director of the bureau during March of every year for the purposes hereinafter provided. One week's notice is to be sent to all electors, stating the business before the meeting.

Ratepayers shall have the right to introduce resolutions at the annual general meeting, provided such resolutions are deposited in writing with the secretary of the bureau at least three days before the date fixed for such meeting, duly signed by the proposer and seconder, both of whom must be voters as hereinafter provided.

ART. 27. The meeting shall be competent to discuss and settle the proposed questions if one-third at least of the total number of voters registered on the day of this meeting shall be present.

ART. 28. Extraordinary meetings may be called by the director whenever it may appear to him to be needful, also at the request of two members of the council or of voters representing at least one-third of the voters registered at the last annual general meeting and present in Hankow. Not less than fourteen days' notice of the meeting and its purposes shall be given. At such meetings the director or his representative shall take the chair.

ART. 29. An extraordinary meeting shall be valid provided not less than one-half of the whole number of the voters registered at the last annual general meeting and present in Hankow are represented at the meeting. If the annual general or extraordinary meeting cannot be held owing to an insufficient number of voters being present, the director shall call in a week's time a second meeting, which shall be considered valid whatever be the number of voters present.

ART. 30. The annual general meeting is competent to transact the following business :—

Consider and pass the accounts for the preceding year, levy and alter rates, dues and taxes, authorise the pledging of the credit of the municipality, consider and decide matters concerning the public works and sanitation of the district and such other matters as affect the proper and efficient administration of the area, consider and adopt the budget for the current year and elect six members of the council.

ART. 31. All resolutions of the annual general or extraordinary meeting, except resolutions named hereunder (article 32), shall pass by simple majority of votes ; in case of equality of votes the chairman shall have a casting vote.

ART. 32. Resolutions concerning acquisition or expropriation of immovables, budget, loans, mortgages, securities or guarantees to be given by the municipality, shall require a majority of two-thirds of the voters present at the meeting.

ART. 33. Resolutions passed by the annual general or extraordinary meeting shall be carried out by the bureau. Any resolution that shall involve treaty rights shall be communicated to the Commissioner for Foreign Affairs for Hupeh. If such resolution is found to be repugnant to the letter or spirit of the treaties China has made with Foreign Powers or the laws and customs of China, or derogatory to China's sovereignty or dignity as a sovereign State, the Commissioner for Foreign Affairs may request the director of the bureau to suspend the execution of the same, and immediately report to the Minister for Foreign Affairs of the Nationalist Government for final decision.

#### CHAPTER V.—*The Election.*

ART. 34. The right of voting at the annual general meeting is granted to all Chinese and foreigners belonging to friendly States having conventions with China, as well as institutions, associations



and companies, being lot-holders or householders in the district, and paying to the bureau sundry taxes (land and house taxes) to the amount of not less than 25-00 taels per annum.

ART. 35. Minors and persons under guardianship or curatorship shall vote through their guardians or curators at the annual general meeting.

ART. 36. Societies, associations and companies entitled to vote at the annual general meeting, participate in it through their representatives, whose power of attorney must be shown to the satisfaction of the bureau.

ART. 37. Persons having a right to vote at the annual general meeting, who are absent from Hankow or are prevented by illness from attending, are permitted to vote at the meeting by proxy through duly authorised delegates, who must satisfy the conditions required for the personal voting at the annual general meeting. Such proxies must be deposited with and approved by the bureau not less than three days before the meeting.

ART. 38. Persons participating in the annual general meeting shall be entitled to votes, as hereinafter provided :—

Registered lot-holders of the district shall be entitled to one vote in respect of 25-00 taels paid in land and house taxes under the assessment for the time being in force, in the calendar year immediately preceding the time of voting; and every person having so paid 150-00 taels shall be entitled to two votes, and every person having so paid more than 150-00 taels shall be entitled to one additional vote for every full sum of 75-00 taels so paid, up to a maximum of twelve votes in all.

Persons who are not lot-holders of the district but occupiers of houses in the district, registered as hereinafter provided, shall be entitled to votes in respect of house tax paid on the same scale as lot-holders as provided in the paragraph immediately preceding, always provided that every such person must have resided in the district for at least one calendar year previous to the time of voting. Provided further that in the case of joint occupiers of a house, paying taxes as herein provided, only one such occupier shall be entitled to vote, and when applying for registration as a voter, as hereinafter provided, he must at the same time provide satisfactory proof in writing of the concurrence of his co-occupiers that he should be so registered as voter on their joint behalf.

ART. 39. No person can have more than twelve votes in all (articles 35, 36 and 37).

ART. 40. The following persons cannot be registered as voters at the annual general meeting :—

- (a) Persons in the regular administration service.
- (b) Persons in the municipal police service.
- (c) Persons legally recognised as insane, mad or deaf and dumb or disqualified by the law of their own countries from voting.

ART. 41. The following persons are deprived of the right to participate at the annual general meeting :—

- (a) Persons charged with or on trial for crimes involving deprivation or limitation of civil rights.
- (b) Persons who are undergoing punishment for crimes. Such persons are further deprived of the right to participate at the meeting for three years after the term of punishment has elapsed.
- (c) Persons who are in arrears in the payment of taxes to the bureau.
- (d) Undischarged bankrupts.

ART. 42. On or before the 15th day of December in every year the bureau shall cause to be inserted in at least three issues of one or more daily newspapers published in Hankow and printed in Chinese and English a notice to persons who wish to register as voters under article 38, to make application in writing before the 31st day of December to the secretary of the bureau for registration upon a form to be provided by the bureau. The bureau shall consider the evidence adduced by such persons, and may register or refuse to register, according to whether in its opinion the necessary conditions in accordance with these regulations have or have not been complied with. In the latter case the bureau shall inform the applicant of its refusal and of its reason therefor.

Lot-holders of the district, who have satisfied all the conditions of these regulations, shall automatically and without application be included by the bureau in the list of voters.

A list of persons entitled to vote at the annual general meeting with the numbers of their votes shall be drawn up by the bureau before the 15th day of January in every year and shall be published at the entrance of the bureau as well as sent round to the persons whose names are included in the list of voters.

ART. 43. Any objection to such a list of voters by persons having a right to vote at the annual general meeting shall be presented in writing before the 1st day of February to the director of the bureau, who shall consider the objection, hear all necessary evidence, and render his decision not later than the 15th day of February; this decision shall be considered final, and when rendered shall be communicated by the bureau to the person or persons concerned.

ART. 44. After the list has been revised, no additions shall be made to it. Persons who lose their right to vote before the day of the annual meeting shall not participate in the meeting.

#### CHAPTER VI. *Bye-laws.*

ART. 45. The bureau shall have power to make bye-laws on matters which come within its scope and for the purpose of assisting the attainment of the objects for which these regulations are made, and shall have the power to enforce such bye-laws, when they have been passed in accordance with article 46, through its own police court or consular court, according to the nationality and status of the defaulter.

The existing British municipal bye-laws, with the exception of

numbers 25, 48, 49, 52 and 54, will be enforced by the bureau until such time as they are amended under these regulations.

ART. 46. Bye-laws proposed by the bureau to be issued shall be put before the annual general meeting. Bye-laws adopted by the annual general meeting shall be presented by the director of the bureau to the Ministry for Foreign Affairs of the Nationalist Government for confirmation.

ART. 47. To ensure the observance of bye-laws connected with building, the bureau may demand for inspection plans from persons desirous of constructing new buildings or altering, reconstructing or fundamentally repairing existing structures, and further, may order the removal, alteration or demolition of any building begun or completed in contravention of such regulations and/or bye-laws.

ART. 48. The official languages of the bureau shall be Chinese and English.

#### CHAPTER VII.—*Amendment and Confirmation.*

ART. 49. If any amendment to these regulations is found to be necessary, it may be made at the annual general meeting by a two-thirds majority subject to the confirmation of the Ministry for Foreign Affairs of the Nationalist Government.

ART. 50. These regulations shall become effective on March 15, 1927.

## APPENDIX IX

(A)

### DR. SUN YAT-SEN'S WILL

(Translation.)

FOR forty years I have devoted my energies to the cause of the national revolution. The object of the latter is to seek a position of independent equality for China. The experience of forty years has caused me to realise that, if it is desired to achieve this object, the people must be aroused, and we must strive in unison with all those nations of the world who deal with us on a basis of equality. The revolution has not yet achieved its object. All those who are of the same purpose as myself must therefore act in accordance with the precepts of my three books: 'A Method of Establishing a Nation', 'A General Plan for the Establishment of a Nation', and 'The Three Principles of the People', and also the announcement made on the occasion of the First National Representatives Conference, and must continue to use every effort to attain the first two ideals of holding a people's conference and of abolishing all unequal treaties. It is essential that this should be brought about within the shortest possible time. My last will and testament.



SUMMARY OF DR. SUN YAT-SEN'S DOCTRINES<sup>1</sup>*'Three Principles of the People.'**The Canton Charter.*

[The China Christian Education Association has issued a digest made by Mr. Chester S. Miao of a book by the late Dr. Sun Yat-sen, *Three Principles of the People*. Dr. Sun and this book are regarded as the principal influence animating the Southern Chinese Nationalist movement. The following is a translation of the digest.]

What are the Three Principles of the People? They are Nationalism, Democracy, and Socialism. In other words, they are principles of salvation of our country. They are a means to enable China to exist for ever in the world.

I. *Nationalism.*

China is now in a dangerous state. On the one hand she has become a colony of every Great Power. The Powers have pressed us hard both economically and politically. On the other hand, our population has been diminishing, while that of the Powers has been rapidly growing. If that rate of growth is kept on for another hundred years, they can not only conquer us, but also extinguish us as a race. In order to save our country and to preserve our race, we have first to recover the nationalistic spirit which we have lost in the last hundred years. It is true that we are a peace-loving people, and that our ancestors in the past strongly believed in internationalism, but we must also remember that unless we have a strong nationality as a foundation we can neither have peace nor enjoy international fellowship.

There are several essential things we must do in the recovery of our lost nationalistic spirit. First, we must help our people to understand clearly the dangerous state of our country and the immediate effect of that state upon every one of us. Second, we must organise our people into one strong organic group. This can be accomplished only by utilising such strong units as clans and local organisations. Third, we must revive our old characteristics, such as loyalty, filial piety, benevolence and love, faith, righteousness, and love of peace. Fourth, we must revive our old learning as found in the Great Learning; especially the order to pursue our learning and the object of our pursuit, investigation of things, extension of knowledge, sincerity in thought, rectification of heart, regulation of the family, right government of State, and making the whole kingdom tranquil and happy. Fifth, we must revive our creative power, the power which we once had in inventing new things. We must do all these things, but, aside from that, we must also go out to learn what is best in the West.

<sup>1</sup> Reprinted from *The Manchester Guardian* of December 30th, 1926.

## II. *Democracy.*

We adopt democracy as one of our party platforms for two main reasons. First, we desire to follow the political trend of the world. Second, we believe it is one of the best means to put an end to our civil wars. By following the world's trend, we do not mean to copy from the West blindly. We ought to know the radical historical differences between the East and the West. Furthermore, the West has, in the last century, progressed much more rapidly in material things than in those that concern man and his welfare. In politics, very little advance has been made. Therefore, aside from blunders and follies, we have very little positive lessons to learn from them.

Take, for instance, liberty and equality, two of the basic elements in democracy. If we do not know or forget to take into consideration their historical background, it would be really dangerous to advocate them. In the past the Western peoples had too little personal freedom. So in all their revolutionary wars they fought hard for liberty. Historically, this has not been true in China. Our people, thus far, have had too much personal freedom. As a result of that we have become a plate of sand and are helpless in face of foreign imperialism and its economic conquest. So what we need now is not to fight for more personal freedom but to sacrifice some of our personal freedom in order to gain our national freedom.

In equality we have also to differentiate true equality from false equality. There is no such thing as equality in natural gifts. All we can do is to give our people political equality. Instead of gain we should take service as the goal of our life. He who receives the greatest amount of talents should render service to the largest number of people. He who receives the smaller amount of talents should render service to a smaller number of people. Even he who receives the least should at least try to serve himself well.

Since we have little to learn from the West, and since we have almost no experience of our own in the democratic form of government, we have to solve our own problems as best we can. The following are the two problems which we have tried to solve: First, how to have a strong Central Government, and at the same time to remove the fear of the people of such a Government. Our solution lies in the change of the people's attitude toward Government officials. The people ought to treat the Government officials in the same manner as the shareholders of a factory or a business concern treat their managers. We are shareholders in the Republic. Our President, Prime Minister, and other Government officials are but our managers. Or we can regard them as our chauffeurs, cooks, physicians, carpenters, tailors, or any other kind of specialist you please. If they are capable and faithful, we should give them full executive power and never curtail their actions, for faithful and capable specialists know how and what to do. It is only when they are so treated that the Government can make progress and at the same time be harmless to the people.

Our second problem is how to build up a powerful Government

machinery and at the same time to enable the people fully to exercise their power and control of the machinery. The first part of the problem is solved by organising our Government on the five principles—legislative, judicial, executive, entrance to public office by examination, and censorship. The second part of the question is solved by safeguarding the people with the power of election, power of recall, power of initiation of new laws, and power of revision or abolition of old laws.

### III. *Socialism.*

Before using Socialism as a means to solve our social problems we must first find out the focus of all our problems. Many people in the West have taken material problems as the central point in human history. We must reject that false idea and centre all our problems around the welfare of the people. If we can only clearly understand that and then study the actual conditions in China, we shall come to see that none of the forms of Socialism developed in the West are fitted for our country. There are two other basic facts which we have also to recognise: (1) we do not have very rich people in China as there are in the West—we only have poor and very poor; (2) our commerce and industry have not yet been developed. All we need now is to prevent rather than to remedy the evils arising from modern industry and commerce.

Take the land problem as an example. We do not have great landlords as they have in the West. But since land is vitally related to the people we ought to work out a preventive policy now. Our policy is easy and simple. First, the Government should tax or buy all lands according to their value. Second, the value of the land should be fixed by its owner. Third, after the landowner has fixed his land value and reported to the Government, any future increase in the land value should belong to the Government. Again, let us take the problem of regulating capital. Our great and immediate problem is not economic inequality but economic poverty, not a fight against capitalists but the prevention of the rise of capitalists in the future. Our method of solving this problem is to develop State industry. Since we do not have enough experience and capital to develop that, it would be wise for us to employ foreign specialists and to borrow foreign capital to help us.

With regard to the problem of food and clothing, our plan is as follows: We want to give every citizen not only plenty of rice but very cheap rice. We hope to do that (1) by having every farmer cultivate his own land; (2) by using machines to take the place of human labour; (3) by utilising waterfalls to manufacture chemical fertilisers; (4) by educating our farmers to use the method of rotation of crops; (5) by studying and applying the best methods of killing deleterious entozoa; (6) by improving methods of manufacture; (7) by developing modern methods of transportation; and (8) by doing all we can to prevent famines. The problem of clothing is twofold. On the one hand there is an urgent need of improving our old methods of raising raw materials. On the other hand, we have to develop our own textile



industry as rapidly as possible. This is, at present, hindered by the treaties which forbid us to have tariff autonomy. So our first step in solving the problem of clothing is to remove all unequal treaties so that we may carry out a policy of protection.

(B)

### PROGRAMME OF THE CANTONESE <sup>1</sup>

#### *Thirty-three Points.*

The following is a translation of the 'Thirty-three Points of the Kuomintang Policy', declared on the 'National Day of the Republic of China', and published in Shanghai by the *Republican Daily*, the official organ of the Cantonese Nationalists:

1. When the military situation has settled down a preliminary meeting will be called to make preparation for a final people's conference with a view to solving the problems of the country, and to establishing a united National Government, as advocated by Dr. Sun Yat-sen, for the following purposes:

2. To abolish the 'unequal treaties'; to draw up all treaties anew with due regard to equality and sovereignty; to make the Republic of China stand on the same level in international affairs with other nations.

3. To effect the withdrawal of foreign military and naval forces stationed in China.

4. To abolish consular jurisdiction.

5. To restore to China the concessions and settlements.

6. To restore tariff autonomy.

7. To regulate the missionary schools; to restore the right of education.

8. To divest aliens of the right to own property, establish banks, or issue notes, without the sanction of the Government of the Republic of China.

9. To establish a sound Government; to sweep away official corruption; to remove the abuses of previous Governments.

10. To assure to the people complete freedom of press, speech, worship, residence, and association.

11. To establish central control of finance; to abolish *li-kin* (internal tax).

12. To eliminate surtaxes on land; to suspend the payment of land tax in advance; to repeal the miscellaneous taxes; to prohibit levying from the poor for military purposes.

13. To exempt distressed districts from land tax and arrears of rent; to prevent exploitation by high interest charges.

14. To prohibit the cultivation, transport, and consumption of opium.

15. To secure co-operation between soldiers and the people; forced

<sup>1</sup> Reprinted from *The Manchester Guardian* of January 11th, 1927. [Various modifications have since been made but it may be assumed that this translation represents the substance of the Cantonese programme.]

labour, disturbance, and occupation of private residences and school premises to be strictly prohibited.

16. To reorganise the public properties belonging to the National and Provincial Governments; to develop industry.

17. To render financial aid towards relief works (flood and famine); to regulate the prices of rice; to confiscate the properties of the anti-Nationalist leaders for the benefit of relief funds.

18. To assist the development of industrial, agricultural, commercial, and cultural organisations; to remove all political disabilities.

19. To put into practice in all provinces under the Nationalist Government the principle of tutelage;<sup>1</sup> to promote provincial autonomy and the popular election of provincial governors, mayors, and village officials, to organise assemblies of the people in the provinces, towns, and villages for the improvement of the general welfare.

20. To improve rural organisation and the arable land; to fix a maximum rate of rents; to better the conditions of the rural population.

21. To promulgate labour laws, factory legislation, and trade union laws; to regulate minimum wages; to prohibit the maltreatment of workers by employers or supervisors in the factories (both alien and national); to improve working conditions, especially with regard to health and sanitation; to provide a special scheme for the protection of female and juvenile workers.

22. To guarantee funds for education which shall not be used for any other purposes; to increase the salaries of the teachers in the primary schools; to reduce the tuition fees.

23. To improve the life of soldiers; to advance their education; to apply part of the fund from the confiscation of the properties of the anti-Nationalist leaders for aged and disabled soldiers.

24. To guarantee and increase the salary of the lower grade of those engaged in Civil Service and educational institutions; to recognise their right of organisation.

25. To promote the equality of the sexes; to recognise the women's right of franchise and election and all other legal rights on the same basis as men.

26. To take a census.

27. To survey the land.

28. To organise volunteers among the farmers in the villages for their defence.

29. To construct roads in every district.

30. To undertake river conservancy.

31. To promote afforestation.

32. To reform the system of currency; to restrict the undue issue of paper money.

33. To assist the producers' and consumers' co-operative enterprises with financial grants from the Government.

<sup>1</sup> Tutelage is the second stage in Dr. Sun Yat-sen's programme of Republican Government, the first being the military stage and the last the constitutional.

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